

2580 Creekview Road Moab, Utah 84532 435/719-2018 435/719-2019 Fax

November 7, 2007

Mrs. Diana Mason State of Utah Division of Oil Gas and Mining P.O. Box 145801 Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill—XTO Energy, Inc.

LCU 16-36F - 815' FSL & 471' FEL, SE/4 SE/4,

Section 36, T10S, R20E, SLB&M, Uintah County, Utah

Dear Diana;

On behalf of XTO Energy, Inc. Buys & Associates, Inc. respectfully submits the enclosed original and one copy of the Application for Permit to Drill (APD) for the above referenced SITLA surface and mineral vertical well. The location of the surface and target location as well as all points along the intended well bore path are within Cause No. 259-01 and are not within 460 feet of the unit boundary or any uncommitted tracts. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats, layouts and photos of the proposed well site;

Exhibit "B" - Proposed location maps with access and utility corridors;

Exhibit "C" - Production site layout;

Exhibit "D" - Drilling Plan;

Exhibit "E" - Surface Use Plan with APD Certification;

Exhibit "F" - Typical BOP and Choke Manifold diagram;

Exhibit "G" - Cultural and Paleontological Clearance Reports.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Ken Secrest of XTO Energy, Inc. at 435-722-4521 if you have any questions or need additional information.

Sincerely,

Don Hamilton

Agent for XTO Energy, Inc.

cc: Fluid Mineral Group, BLM—Vernal Field Office Ken Secrest, XTO Energy, Inc.

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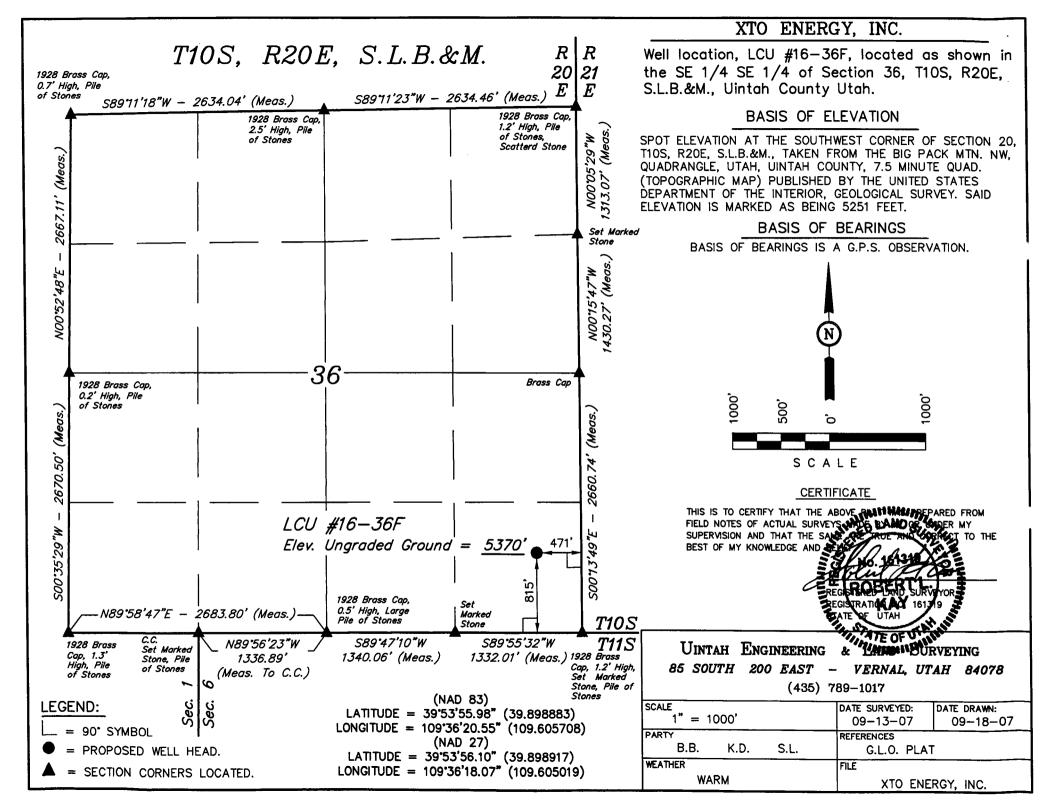
DIV. OF CIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

| AMENDED REPORT | |
|---------------------|--|
| (highlight changes) | |

DIV. OF OIL, GAS & MINING

| | | | | | | 5. MINERAL LEASE NO: | 6. SURFACE: |
|------------------------------|---|--------------------|--------------------|----------------|---|--|--------------------|
| | APPLICA | ML-47391 | State | | | | |
| 1A. TYPE OF WO | ORK: DRILL | REENTER [| DEEPEN | | | 7. IF INDIAN, ALLOTTEE OR N/A | |
| B. TYPE OF WE | LL: OIL GAS | OTHER | SIN | GLE ZONE [| MULTIPLE ZON | 8. UNIT OF CA AGREEMENT Little Canyon Uni | |
| 2. NAME OF OPE | RATOR: | | | | | 9. WELL NAME and NUMBER | ₹: |
| XTO Energ | | | | | | LCU 16-36F | |
| 3. ADDRESS OF P.O. Box 13 | | sevelt | ATE UT ZIP 84 | 066 | PHONE NUMBER: (435) 722-4521 | 10. FIELD AND POOL, OR W | ALCULUADO |
| | WELL (FOOTAGES) | | TY ZIP | 00 000 | 1 · · · · · · · · · · · · · · · · · · · | 11. QTR/QTR, SECTION, TO | |
| AT SHREACE | 815' FSL & 471' FEL | | x 3 | 9.0700 | 116 | MERIDIAN: SESE 36 10 | S 20E S |
| | PRODUCING ZONE: | 441725 | 4Y . | 109.6 | 05034 | J SESE SS 10 | J 202 0 |
| 14. DISTANCE IN | MILES AND DIRECTION FROM I | NEAREST TOWN OR P | OST OFFICE: | | | 12. COUNTY: | 13. STATE: UTAH |
| 13.64 mil | es southeast of Oura | y, Utah | | | | Uintah | |
| 15. DISTANCE TO | O NEAREST PROPERTY OR LEA | SE LINE (FEET) | 16. NUMBER O | FACRES IN LEA | | 17. NUMBER OF ACRES ASSIGNED | |
| 471' | | | | | 640 | | 40 |
| | O NEAREST WELL (DRILLING, COR) R) ON THIS LEASE (FEET) | OMPLETED, OR | 19. PROPOSED | DEPTH: | 2 222 | 20. BOND DESCRIPTION: | |
| 1,601' | | | an Approxim | ATE DATE WOR | 9,060 | 104312 762 23. ESTIMATED DURATION: | |
| | s (SHOW WHETHER DF, RT, GR, graded ground | ETG.J: | 1/15/200 | | R WILL START. | 14 days | |
| | graded ground | | | | | | |
| 24. | | PROPO | SED CASING A | ND CEMEN | ITING PROGRAM | | |
| SIZE OF HOLE | CASING SIZE, GRADE, AND | WEIGHT PER FOOT | SETTING DEPTH | | CEMENT TYPE, QUA | ANTITY, YIELD, AND SLURRY WEIGH | <u> </u> |
| 14.5" | 14" conduct | 8y | le0' | | | | |
| 12-1/4" | 9-5/8" J-55 ST | 36# | 2,200 | see Drilli | ng Plan | | ···· |
| 7-7/8* | 5-1/2" N-80 LT | 17# | 9,060 | see Drilli | ng Plan | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 25. | | | ATTA | CHMENTS | | | |
| VERIFY THE FO | LLOWING ARE ATTACHED IN AC | CORDANCE WITH THE | UTAH OIL AND GAS C | ONSERVATION | GENERAL RULES: | | |
| WELL PL | AT OR MAP PREPARED BY LICE | Neen ei iowevad ad | CNCINEED | 7 0 | OMPLETE DRILLING PLAN | , | |
| _ | | | | 1_ | | DOON OF COMPANY OTHER THAN I | FUE I EASE OWNED |
| EVIDEN | CE OF DIVISION OF WATER RIGH | HTS APPROVAL FOR U | SE OF WATER | | JRM 5, IF OPERATOR IS PE | RSON OR COMPANY OTHER THAN T | HE LEASE OWNER |
| | Day Harritan | | | | F Agent for XTO | Energy Inc | |
| NAME (PLEASE | PRINT) Don Hamilton | 0.1 | | | | Chergy, inc. | |
| SIGNATURE | Don H | amilten | | DA | 11/7/2007 | | |
| (This space for Sta | ite use only) | | | | 44 | | |
| | | | Appro | oved by | tne of | | |
| | 112.000 | 39784 | | Division | | | |
| API NUMBER AS | SIGNED: 90047 | 57/84 | VII, Ga | s and M | TIII IA | RECEIN | /ED |
| | | | | | | * | |
| (11/2001) | | | Date Intrue | ons on Reverse | | NOV 0 9 | 2007 |



XTO ENERGY INC.

LCU 16-36F APD Data November 6, 2007

Location: 815' FSL & 471' FEL, Sec. 36, T10S,R20E

County: Uintah

State: Utah

GREATEST PROJECTED TD: 9060' MD

OBJECTIVE: <u>Wasatch/Mesaverde</u> Est KB ELEV: <u>5384' (14' AGL)</u>

APPROX GR ELEV: 5370'

1. MUD PROGRAM:

| INTERVAL | 0' to 2200' | 2200' to 9060' |
|------------|-------------|-------------------------------|
| HOLE SIZE | 12.25" | 7.875" |
| MUD TYPE | FW/Spud Mud | KCl Based LSND / Gel Chemical |
| WEIGHT | 8.4 | 8.6-9.20 |
| VISCOSITY | NC | 30-60 |
| WATER LOSS | NC | 8-15 |

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes. The mud system will be monitored visually/manually.

2. CASING PROGRAM:

Surface Casing: 9 625" casing set at + 2200' in a 12 25" hole filled with 8.4 nng mud

| Surface | Casing: | 9. | 9.625" casing set at ± 2200' in a 12.25" hole filled with 8.4 ppg mud | | | | | | | | | |
|----------|---------|-----|---|------|--------|--------|---------|-------|-------|------|-------|------|
| | | | | | Coll | Burst | | | | | | |
| | | | l | | Rating | Rating | Jt Str | ID | Drift | SF | SF | SF |
| Interval | Length | Wt | Gr | Cplg | (psi) | (psi) | (M-lbs) | (in) | (in) | Coll | Burst | Ten |
| 0'-2200' | 2200' | 36# | J-55 | ST&C | 2020 | 3.66 | 394 | 8.921 | 8.765 | 2.10 | 3.66 | 4.97 |

Production Casing: 5.5" casing set at ±9060' in a 7.875" hole filled with 9.2 ppg mud.

| | | | | | Coll | Burst | | | | | | |
|----------|--------|-----|------|------|--------|--------|---------|-------|-------|------|-------|------|
| 1 | | | | | Rating | Rating | Jt Str | ID | Drift | SF | SF | SF |
| Interval | Length | Wt | Gr | Cplg | (psi) | (psi) | (M-lbs) | (in) | (in) | Coll | Burst | Ten |
| 0'-9060' | 9060' | 17# | N-80 | LT&C | 6280 | 7740 | 348 | 4.892 | 4.767 | 1.83 | 2.26 | 2.26 |

Collapse and burst loads calculated at TVD with 0.1 psi/ft gas gradient back up.

3. WELLHEAD:

- A. Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom (or slip-on, weld-on) and 11-3/4" 8rnd thread on top.
- B. Tubing Head: Larkin Fig 612 (or equivalent), 6.456" nominal, 5,000 psig WP, 5-1/2" 8rnd female thread on bottom (or slip-on, weld-on), 8-5/8" 8rnd thread on top.

CEMENT PROGRAM:

A. Surface:

9.625", 36#, J-55, ST&C casing to be set at ±2200' in 12.25" hole.

LEAD:

±362 sx of Type V cement (or equivalent) typically containing accelerator and LCM.

TAIL:

TAIL: 225 sx of Type V cement (or equivalent) typically containing accelerator and LCM. (15.8 pps (41eld 1.15 ft $^3/sx$)

Total estimated slurry volume for the 9.625" surface casing is 956.5 ft³. Slurry includes 35% excess of calculated open hole annular volume to 2200'.

B. Production:

5.5", 17#, N-80 (or equiv.), LT&C casing to be set at ±9060' in 7.875" hole.

LEAD:

±461 sx of Premium Plus V Blend. (Type V/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 11.6 ppg, 3.12 ft³/sk, 17.71 gal wtr/sx.

TAIL:

300 sx Class G or equivalent cement with poz, bonding additive, LCM, dispersant, & fluid loss mixed at 13.0 ppg, 1.75 cuft/sx, 9.09 gal/sx.

Total estimated slurry volume for the 5.5" production casing is 1965 ft³. Slurry includes 15% excess of calculated open hole annular volume.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 15% or greater excess. The cement is designed to circulate on surface and intermediate casing strings.

5. LOGGING PROGRAM:

- A. Mud Logger: The mud logger will come on at intermediate casing point and will remain on the hole until TD. The mud will be logged in 10' intervals.
- Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (9060') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (9060') to 2200'.

FORMATION TOPS:

| FORMATION | Sub-Sea Elev. (@SHL) | TVD (@SHL) |
|-----------------------|-------------------------|---------------|
| Wasatch Tongue | 1,670 | 3,719 |
| Green River Tongue | 1,340 | 4,049 |
| Wasatch* | 1,210 | 4,179 |
| Chapita Wells* | 475 | 4,914 |
| Uteland Buttes | -695 | 6,084 |
| Mesaverde* | -1,465 | 6,854 |
| Castlegate | N/A | N/A |
| TD** | -3781 | 9090 |

^{*} Primary Objective

7. ANTICIPATED OIL, GAS, & WATER ZONES:

A.

| Formation | Expected Fluids | Well Depth Top |
|--------------------|------------------------|----------------|
| Wasatch Tongue | Oil/Gas/Water | 3,719 |
| Green River Tongue | Oil/Gas/Water | 4,049 |
| Wasatch* | Gas/Water | 4,179 |
| Chapita Wells* | Gas/Water | 4,914 |
| Uteland Buttes | Gas/Water | 6,084 |
| Mesaverde* | Gas/Water | 6,854 |
| Castlegate | Gas/Water | N/A |

- A. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.
- B. There are no known potential sources of H₂S.
- C. Expected bottom hole pressures are between 4100 psi and 4600 psi.

8. **BOP EQUIPMENT**:

Surface will not utilize a bop stack.

Intermediate hole will be drilled using a diverter stack with rotating head rated at 250 psi w.p.

Production hole will be drilled with a 3000 psi BOP stack.

Minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double ram with annular, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed:
- b. whenever any seal subject to test pressure is broken
- c. following related repairs: and
- d. at 30 day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No.2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Test pressures for BOP equipment are as follows:

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Annular BOP -- 1500 psi
Ram type BOP -- 3000 psi
Kill line valves -- 3000 psi
Choke line valves and choke manifold valves -- 3000 psi
Chokes -- 3000 psi
Casing, casinghead & weld -- 1500 psi
Upper kelly cock and safety valve -- 3000 psi
Dart valve -- 3000 psi
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Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The BLM in Vernal, UT shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram.
- b. A choke line and a kill line are to be properly installed.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.
- e. See attached BOP & Choke manifold diagrams.

9. COMPANY PERSONNEL:

| Name | <u>Title</u> | Office Phone | Home Phone |
|-------------------|-------------------------|--------------|--------------|
| John Egelston | Drilling Engineer | 505-333-3163 | 505-330-6902 |
| Bobby Jackson | Drilling Superintendent | 505-333-3224 | 505-486-4706 |
| Glen Christiansen | Project Geologist | 817-885-2800 | |

SURFACE USE PLAN

CONDITIONS OF APPROVAL

Name of Operator:

XTO Energy, Inc.

Address:

P.O. Box 1360; 978 North Crescent

Roosevelt, Utah 84066

Well Location:

LCU 16-36F

815' FSL & 471' FEL, SE/4 SE/4,

Section 36, T10S, R20E, SLB&M, Uintah County, Utah

A Uintah County Road encroachment is necessary to construct the new access from the existing Uintah County Road 2810 (Seep Ridge Road).

The surface owner or surface owner representative and dirt contractor will be provided with an approved copy of the surface use plan of operations and approved conditions of approval before initiating construction.

The onsite inspection for the referenced well is pending at this time.

1. Location of Existing Roads:

- a. The proposed well site is located approximately 13.64 miles southeast of Ouray, UT.
- b. Directions to the proposed well site have been attached at the end of Exhibit B.
- c. The use of roads under State and County Road Department maintenance are necessary to access the Little Canyon Unit area. A Uintah County Road encroachment is necessary to construct the new access from the existing Uintah County Road 2810 (Seep Ridge Road).
- d. All existing roads will be maintained and kept in good repair during all phases of operation.
- e. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- f. Since no improvements are anticipated to the State, County, Tribal or BLM access roads no topsoil striping will occur.
- g. An off-lease federal Right-of-Way is not anticipated for the access road since access presently exists to the lease boundary servicing the LCU 16-36F.

2. New or Reconstructed Access Roads:

- a. From the existing Uintah County Road 2810 (Seep Ridge Road) an access is proposed trending southwest approximately 130' to the proposed well site. The access consists of entirely new disturbance and crosses no significant drainages. A road design plan is not anticipated at this time.
- b. The proposed access road will consist of a 24' travel surface within a 30' disturbed area.
- c. SITLA approval to construct and utilize the proposed access road is requested with this application.

- d. A maximum grade of 10% will be maintained throughout the project with no cuts and fills required to access the well.
- e. No turnouts are proposed since the access road is only 130' long and adequate site distance exists in all directions.
- f. No low-water crossings are necessary, One culvert is anticipated as the proposed access road leaves the county road surface. Adequate drainage structures will be incorporated into the road.
- g. No surfacing material will come from federal or Indian lands.
- h. No gates or cattle guards are anticipated at this time.
- i. Surface disturbance and vehicular travel will be limited to the approved location access road.
- j. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service publication: <u>Surface Operating Standards for Oil</u> and Gas Exploration and <u>Development</u>, (1989).
- k. The operator will be responsible for all maintenance of the access road including drainage structures.

3. <u>Location of Existing Wells</u>:

a. Exhibit B has a map reflecting these wells within a one mile radius of the proposed well.

4. Location of Existing and/or Proposed Production Facilities:

- a. All permanent structures will be painted a flat, non-reflective Desert Brown /Carlsbad Canyon to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- b. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- c. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162. 7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.
- d. A tank battery will be constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- f. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- g. The site will require periodic maintenance to ensure that drainages are kept open and free of

debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.

- h. A pipeline corridor containing a single steel gas pipeline and a single steel or poly pipe water pipeline is associated with this application and is being applied for at this time. The proposed pipeline corridor will leave the north side of the well site and traverse 65' east to the existing LCU 8-36F pipeline corridor
- i. The gas pipeline will be a 12" or less buried line and the water pipeline will be a 12" or less buried line within a 75' wide disturbed pipeline corridor. The use of the proposed well site and access roads will facilitate the staging of the pipeline corridor construction. A new buried pipeline corridor length of approximately 65' is associated with this well.
- j. An existing pipeline corridor upgrade is proposed from the existing LCU 8-36F tie-in location to the LCU compressor facility along the existing pipeline route.
- k. The gas pipeline will be a 12" or less buried line and the water pipeline will be a 12" or less buried line within a single trench and within a 75' wide disturbed pipeline corridor. The use of the existing well site and access roads will facilitate the staging of the pipeline corridor upgrade. An upgrade to a 75' wide buried pipeline corridor of approximately 600' is associated with this application.
- 1. The proposed pipeline and pipeline upgrade are contained within SITLA surface.
- m. XTO Energy, Inc. intends to bury the pipeline where possible and connect the pipeline together utilizing conventional welding technology.

5. Location and Type of Water Supply:

- a. No water supply pipelines will be laid for this well.
- b. No water well will be drilled for this well.
- c. Drilling water for this will be hauled on the road(s) shown in Attachment No. 3.
- d. Water will be hauled from one of the following sources:
 - o Water Permit # 43-10447, Section 33, T8S, R20E;
 - o Water Permit #43-2189, Section 33, T8S, R20E;
 - o Water Permit #49-2158, Section 33, T8S, R20E;
 - Water Permit #49-2262, Section 33, T8S, R20E;
 - o Water Permit #49-1645, Section 5, T9S, R22E;
 - o Water Permit #43-9077, Section 32, T6S, R20E;
 - o Tribal Resolution 06-183, Section 22, T10S, R20E;

6. Source of Construction Material:

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from Ute Tribal or BLM lands.
- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. Methods of Handling Waste:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site.
- c. The reserve pit will be located outboard of the location and along the west side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- e. The reserve pit will be lined with 16 mil minimum thickness plastic nylon reinforced liner material. The liner will overlay a felt liner pad only if rock is encountered during excavation. The pit liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completion of the well.
- h. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Uintah County Landfill near Vernal, Utah.
- Produced fluids from the well other than water will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.
- j. After initial clean-up, a 400 bbl tank will be installed to contain produced waste water. This water will be transported from the tank to an approved XTO Energy, Inc. disposal well for disposal.
- k. Produced water from the production well will be disposed of at the RBU 13-11F or RBU 16-19F disposal wells in accordance with Onshore Order #7.
- 1. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- m. Sanitary facilities will be on site at all times during operations. Sewage will be placed in a portable chemical toilet and the toilet replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

8. Ancillary Facilities:

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.
- b. No camps, airstrips or staging areas are proposed with this application.

9. Well Site Layout: (See Exhibit B)

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the east.
- c. The pad and road designs are consistent with SITLA specification
- d. A pre-construction meeting with responsible company representative, contractors, and the SITLA will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size; however it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities, will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- h. Diversion ditches will be constructed as shown around the well site to prevent surface waters from entering the well site area.
- i. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.
- j. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- k. Pits will remain fenced until site cleanup.
- 1. The blooie line will be located at least 100 feet from the well head.
- m. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

10. Plans for Restoration of the Surface (Interim Reclamation and Final Reclamation):

- a. Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.
- b. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. Once the reserve pit is dry, the plastic nylon reinforced liner shall be torn and perforated

before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours.

- c. Following BLM published Best Management Practices the interim reclamation will be completed within 90 days of completion of the well to reestablish vegetation, reduce dust and erosion and compliment the visual resources of the area.
 - a. All equipment and debris will be removed from the area proposed for interim reclamation and the pit area will be backfilled and re-contoured.
 - b. The area outside of the rig anchors and other disturbed areas not needed for the operation of the well will be re-contoured to blend with the surrounding area and reseeded at 12 lbs /acre with the following native grass seeds:

Crested Wheat Grass
 Needle and Thread Grass
 Rice Grass
 (6 lbs / acre)
 (3 lbs / acre)
 (3 lbs / acre)

- c. Reclaimed areas receiving incidental disturbance during the life of the producing well will be re-contoured and reseeded as soon as practical.
- d. The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the SITLA or the appropriate County Extension Office. On SITLA administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- e. Prior to final abandonment of the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the SITLA. The SITLA recommended seed mix will be detailed within their approval documents.

11. Surface and Mineral Ownership:

- a. Surface Ownership State of Utah under the management of the SITLA -State Office, 675 East 500 South, Suite 500, Salt Lake, City, Utah 84102-2818; 801-538-5100.
- b. Mineral Ownership State of Utah under the management of the SITLA -State Office, 675 East 500 South, Suite 500, Salt Lake, City, Utah 84102-2818; 801-538-5100.

12. Other Information:

a. Operators Contact Information:

| <u>Title</u> | Name | Office Phone | Mobile Phone | e-mail . |
|--------------|--------------|--------------|------------------|--------------------------|
| | | | | |
| Company Rep. | Ken Secrest | 435-722-4521 | 435-828-1450 Ke | en_Secrest@xtoenergy.com |
| Agent | Don Hamilton | 435-719-2018 | 435-719-2018 sta | arpoint@etv.net |

- b. AIA Archaeological has conducted a Class III archeological survey. A copy of the report is attached and has also been submitted under separate cover to the appropriate agencies by AIA Archaeological.
- c. Alden Hamblin has conducted a paleontological survey. A copy of the report is attached and has also been submitted under separate cover to the appropriate agencies by Alden Hamblin.

Certification:

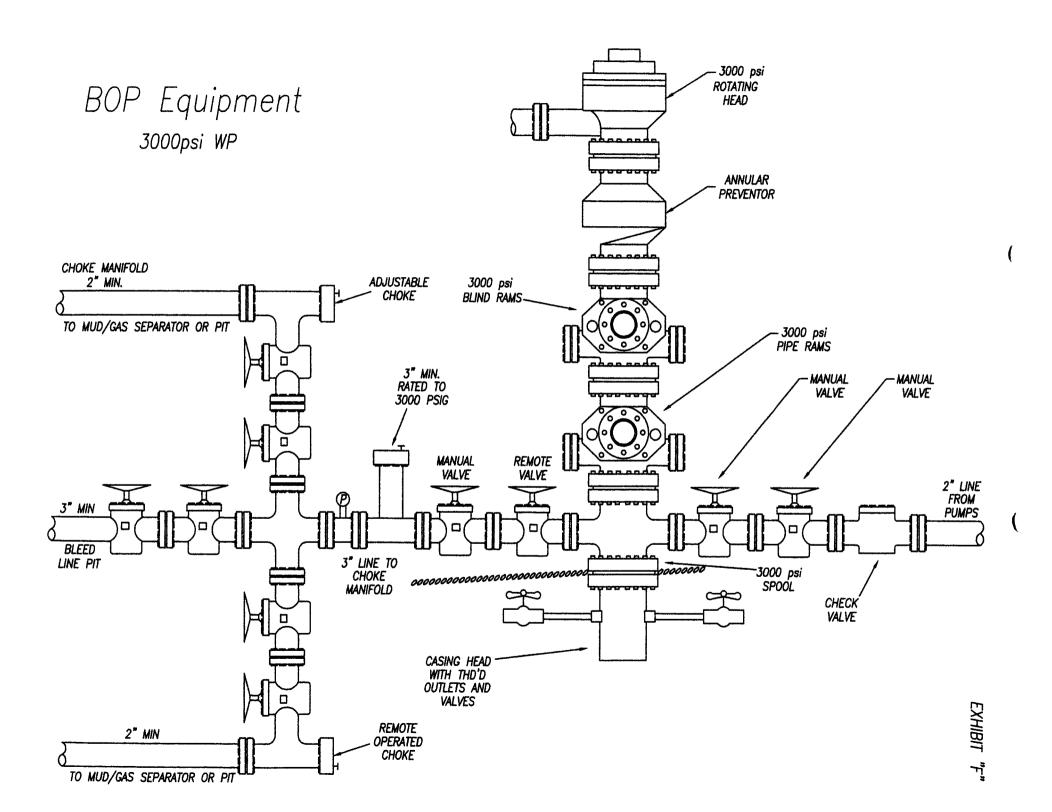
I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exists; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application and that bond coverage is provided under XTO Energy, Inc's SITLA bond 104312-762. These statements are subject to the provisions of 18 U.S.C. 1001 for the fling of false statements.

Executed this 7th day of November, 2007.

Don Hamilton -- Agent for XTO Energy, Inc.

2580 Creekview Road Moab, Utah 84532

435-719-2018 starpoint@etv.net



XTO Energy Corporation; Little Canyon Unit #16-36F: A Cultural Resource Inventory for a well its access and pipeline, Uintah County, Utah.

By James A. Truesdale

James A. Truesdale Principal Investigator

Prepared For XTO Energy Corporation 1400 North State Street P.O.Box 1360 Roosevelt, Utah 84066

Prepared By
AN INDEPENDENT ARCHAEOLOGIST
P.O.Box 153
Laramie, Wyoming
82073

Utah Project # U-07-AY-1204(s)

October 10, 2007

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Introduction

An Independent Archaeologist (AIA) was contacted by a representative of XTO Energy Corporation to conduct a cultural resources investigation of the proposed Little Canyon Unit (LCU) #16-36F well, its access and pipeline. The location of the project area is the SE/SE 1/4 of Section 36, T10S, R20E Uintah County, Utah (Figure 1).

The proposed LCU #16-36F well's centerstake footage (Alternate #1) is 815' FSL, 471' FEL. The proposed LCU #16-36F well's centerstake Universal Transverse Mercator (UTM) coordinate is Zone 12, North American Datum (NAD) 83, 06/19/233.17mE 44/17/273.86mN.

The proposed access and pipeline is the existing Seep Ridge road and a pipeline that is adjacent immediately east of the proposed well pad.

The surface and minerals of Section 36 T10S R20E is administered by the Utah School Institutional Trust Land Administration (SITLA). A total of 10 acres (10 block, 0 linear) was surveyed. The fieldwork was conducted on October 4, 2007 by AIA owner and principal investigator James Truesdale and AIA staff Dr. David V. Hill. All the field notes and maps are located in the AIA office in Laramie, Wyoming.

File Search

A file search was conducted by the Office of the Utah Division of State History (UDSH), Antiquities Section, Records Division on May 24 and again on October 2, 2007. An additional file search was conducted at the Vernal BLM office in March of 2006 by the author. An update of AIA's USGS 7.5'/1968 (photorevised 1987) Big Pack Mountain NW quadrangle map from the UDSH's Big Pack Mountain NW quadrangle base map occurred on November 8, 2003 and again on February 3, 2004. The UDSH SHPO GIS file search reported that fourteen previous projects (U-97-AY-810, U-98-AY-283, U-01-AY-319, U-04-AY-079, U-05-AY-290, U-05-AY-332, U-05-AY-1074, U-06-AY-129, U-06-AY-130, U-06-AY-131, U-06-AY-132, U-06-AY-133, U-06-AY-424 and U-06-AY-426) have been conducted in the general area (Section 36 of T10S R20E). In addition, the Utah SHPO GIS files search indicated that one site (42UN5227) had been previously recorded in Section 36 of T10S R20E.

Site 42UN5227 is located in the SW/SE ¼ of Section 36 of T10S R20E. Thus the site is located 1/4 mile to the west of the present project area. The site will not be impacted by subsequent construction of the proposed LCU #16-36F well, its access or pipeline.

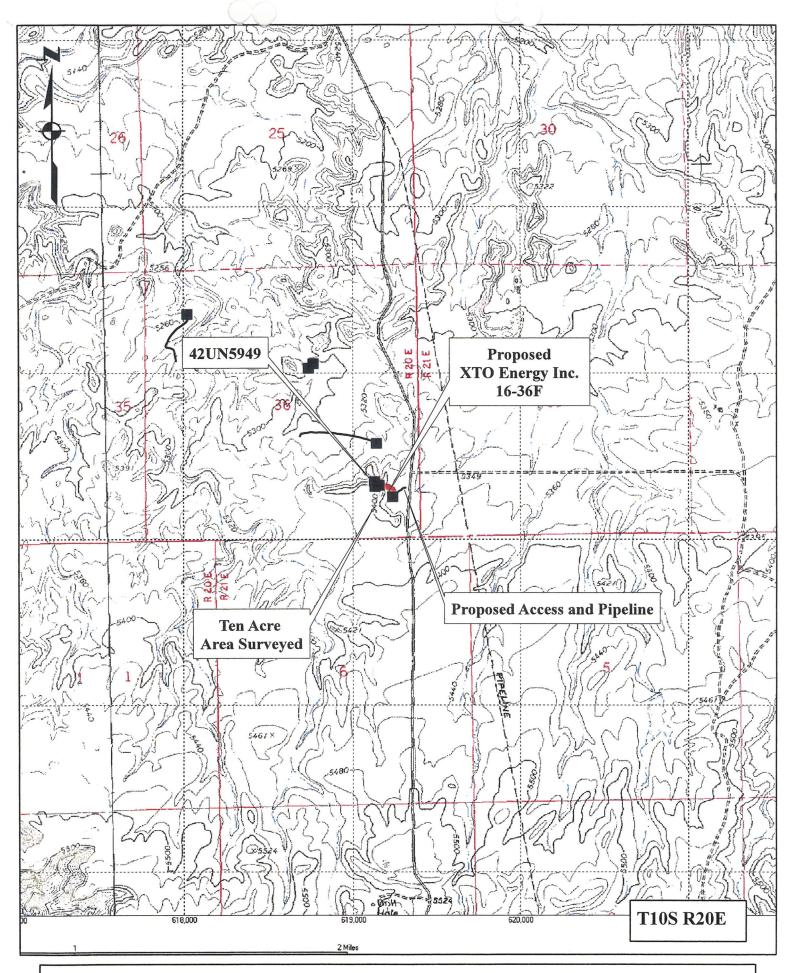


Figure 1. Location of the proposed XTO Energy Inc. 16-36F well, access and pipeline on 1968 7.5' USGS Quadrangle Map Big Pack Mountain NE, Uintah County, Utah.

Environment

Physiographically, the project is located in the Little Canyon Unit in the Uinta Basin, 14 miles south of Ouray, Utah. The Uinta Basin is structurally the lowest part of the Colorado Plateau geographical province (Thornbury 1965:425). The Uinta basin is a large, relatively flat, bowl shaped, east-west asymmetrical syncline near the base of the Uinta Mountains. The topography is characteristic of sloping surfaces that incline northward and are mainly dip slopes on the harder layers of Green River and Uinta Formations (Stokes 1986).

A thick section of more than 9000 feet (2743.9 m) of early Tertiary rocks are exposed (Childs 1950). These rocks are mainly Paleocene and Eocene in age and consist of sandstone, clay and shale lacustrine, fluviatile, and deltaic continental deposits, most famous of which are the lacustrine Green River Beds.

The immediate project area is situated on in the Willow Creek Canyon. The area is characterized as having steep ridges and/or buttes of relatively thick Uinta Formation sandstone, with thinner layers of clays and shale. The hills, ridges and buttes are dissected by several steep sided ephemeral drainage washes with wide flat alluvial plains. Portions of the desert hardpan and bedrock are covered with various sizes of residual angular to tabular pieces of eroding sandstone, clay and shale. Many of the higher hills and ridges exhibit ancient terrace (pediment) surfaces containing pebble and cobble gravel. Some of these pebbles and cobbles exhibit a dark brown to black desert varnish (patination). In addition, many of the hills and ridge slopes are covered with aeolian sand that may reach a depth of 100 to 150 cm.

Vegetation in the Little Canyon Unit area is characteristic of a low sagebrush community with shad scale and greasewood. Species observed in the project area include; big sagebrush confertifolia), shadscale (Atriplex tridentata), (Artemesia nuttallii), rabbitbrush (Chrysothamnus (Atriplex viscidiflorus), winterfat (Eurotia lanata), greasewood (Sarcobatus baileyi), wild buckwheat, Erigonum ovvalifolium), desert trumpet (Erigonum inflatum), Indian rice grass (Oryzopsis hymenoides), (Agropyron smithii), spiked wheatgrass western wheatgrass (Agropyron sp.), crested wheatgrass (Agropyron cristatum), June grass (Koeleria cristata), cheat grass (Bromus tectorum), desert globemallow (Bromus tectorum), lupine (Lupinus sp.), larkspur (Delphinium sp.), Indian paintbrush (Castilleja chromosa), peppergrass (Lepidium perfoliatum), scalloped phacelia (Phacelia intergrifolian), birdscage evening primrose (Oenothera Russian thistle (Salsola kali), Russian knapweed deltoides), (Centaurea repens), and prickly pear cactus (Opuntia sp.). addition, a riparian community dominated by tall greasewood, cottonwood (Populas sp.), willow (Salix sp.), and salt cedar (tamerix) can be found along the Willow Creek Canyon bottom

Little Canyon Unit (LCU) #16-36F

The proposed LCU #16-36F well pad is situated at a small box like area at the base of the talus slope of a small upland hill and south to north trending ridge (Figures 2 and 3). hill and ridge is adjacent immediately west of the proposed well The hill and ridge is part of an upland bench system of hills, ridges, benches and drainages that drain west to Willow Creek. A small southeast to northwest trending ephemeral drainage wash can be found to the south of the ridge. The sediments on the well location are colluvial in nature. These colluvial deposits consist of shallow (< 5 cm), tan to light brown, poorly sorted, moderately compacted, sandy clay loam, mixed with angular pieces of sandstone, clay and shale on the ridge tops and flat areas (Figure 3). Exposed and eroding tan to light brown sandstone and shale bedrock dominates the well pad landscape. Vegetation consists of low sagebrush, saltbush, rabbitbrush, greasewood, bunchgrasses (wheatgrass, cheat grass, Indian rice-grass), barrel and prickly pear cactus. The proposed well location is 5360 feet (1634.14 m) AMSL.

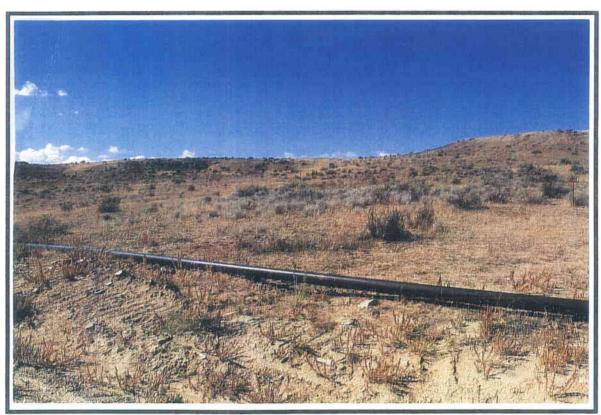


Figure 2. View to west at the proposed LCU #16-36F centerstake and well pad area.

From the existing Seep Ridge road and surface pipeline, the proposed access and pipeline parallel each other and trend 200 feet (60.9 m) southwest to the proposed LCU #16-36F well. The

access and pipeline cross a small open sagebrush flat to the proposed pipeline. Sediments along the pipeline consist of a shallow (5 to 10 cm), poorly sorted, loosely compacted, colluvial sandy clay loam. These colluvial deposits overlie sandstone, clay and shale bedrock. Vegetation along the access and pipeline is sparse and consists of low sagebrush, greasewood, rabbitbrush, saltbush, Russian thistle, bunchgrasses (wheatgrass, cheat grass, Indian rice-grass), and prickly pear cactus.

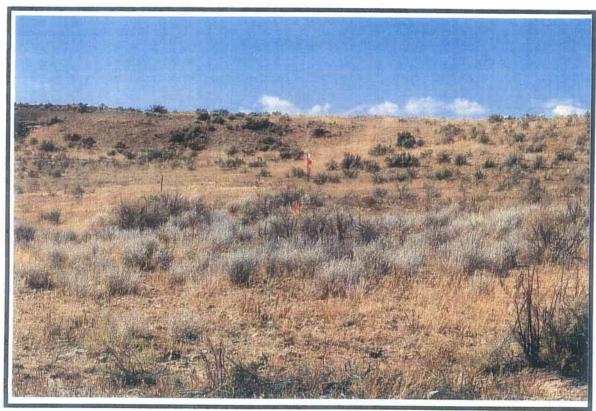


Figure 3. Closer view to west of the proposed Little Canyon Unit #16-36F well pad and the colluvial deposits on and surrounding the proposed LCU #16-36F well pad area.

Field Methods

A total of 10 acres was surveyed around the centerstake of the proposed LCU #16-36F well location to allow for relocation of the pad if necessary. The survey was accomplished by walking transects spaced no more than 15 meters apart. The proposed access and pipeline is the existing Seep Ridge road and surface pipeline that is located adjacent immediately east of the proposed well pad. Therefore, the proposed access and pipeline corridors are located within the 10 acre area surveyed around the proposed well centerstake. Thus, 0 linear acres was surveyed.

Geologic landforms (rockshelters, alcoves, ridge tops and saddles) and areas of subsurface exposure (ant hills, blowouts,

rodent holes and burrow, eroding slopes and cutbanks) were examined with special care in order to locate cultural resources (sites, isolates) and possibly help assess a site's sedimentary integrity and potential for the presence and/or absence of buried intact cultural deposits. All exposures of sandstone cliff faces, alcoves or rockshelters, and talus slopes were surveyed.

When cultural materials are discovered, a more thorough survey of the immediate vicinity is conducted in order to locate any associated artifacts and to determine the horizontal extent (surface area) of the site. If no other artifacts are located during the search then the initial artifact was recorded as an isolated find. At times, isolated formal tools (typical end scrapers, projectile points) were drawn and measured. The isolate was then described and its location plotted on a U.S.G.S. topographic map and UTM coordinates are recorded.

When sites are found an Intermountain Antiquities Computer System (IMACS) form was used to record the site. At all sites, selected topographic features, site boundaries, stone tools and cultural features (hearths, foundations, trash dumps and trails) Sites were mapped with a Brunton compass, Trimble are mapped. Geophysical 3 and/or Garmin E-Trex GPS units, and pacing off distances from a mapping station (datum, PVC with aluminum tag). All debitage is inventoried using standard recording techniques (Truesdale et al 1995:7) according to material type, basic flake type, and so on. Selected (mostly complete) stone tools and projectile points are drawn and measured. All features (rockart panel(s), hearths, foundations, trash dumps and trails) are measured and described, while selected features are either drawn or photographed.

Site location data is recorded by a Trimble GeoExplorer 3 Global Positioning System (GPS) and Garmin GPS III Plus and/or a E-Trex GPS. Site elevation and Universal Transverse Mercator (UTM) grid data, its Estimated Position Error (EPE) and Dilution of Precision (DOP) were recorded. Using the GPS data, the site location was then placed on a USGS 7.5' quadrangle map.

Results

A total of 10 (10 block, 0 linear) acres were surveyed for cultural resources by AIA within and around the proposed XTO Energy Corporation Little Canyon Unit (LCU) #16-36F well, and along its access and pipeline. One site (42UN5949) was recorded. The site is a historic/modern temporary ranching camp associated with a trash scatter. The site is considered to be non-significant and ineligible for nomination and inclusion to the National Register of Historic Places. No additional cultural resources (sites, isolates) were recorded on or around the proposed LCU #16-36F or along its access and pipeline.

A moderate scatter of modern trash (plastic bottles, sanitary

food cans, miscellaneous metal, wire, green, brown and clear glass bottles and bottle fragments, foam insulation, etc.) can be found on and surrounding the existing well pads and along the existing oil and gas field service roads in the Little Canyon Unit area.

Site: 42UN5949

Location: NE/NW/SE 4 Section 36, T10S R20E (Figure 1)

UTM Coordinate: Zone 12, NAD 83, 06/19/131mE 44/17/352mN +5m

06/19/200mE 44/17/333mN 06/19/233mE 44/17/313mN 06/19/215mE 44/17/273mN 06/19/134mE 44/17/322mN

Setting: Site 42UN5949 is situated on the top of a knoll and along the knolls eastern talus slope and a small open sagebrush area to the east. Vegetation is sparse and is characteristic of a sagebrush/short grass community. Vegetation consists of sagebrush, saltbush, greasewood, bunchgrasses (wheatgrass, Indian rice-grass), buckwheat, cheat grass, Russian thistle and prickly pear cactus. Sediments are shallow (<5 to 10 cm) and consist of poorly sorted, loosely compacted, sandy clay loam mixed with small to angular pieces of sandstone with smaller pieces of clay and shale. A small relatively thick layer of sandstone is exposed along the eastern side of the knoll. The elevation ranges between 5400 and 5360 feet (1646.34-1634.14 m) AMSL.

Description: Site 42UN5949 is a historic/modern temporary campsite associated with a moderate scatter of cans. The site measures 100 m (E-W) by 90 m (N-S), 9000 sq m. The site contains a fire pit, a stone bench, a wood (sagebrush) scatter, a wood board scatter and a scatter of clear, brown, and purple glass, over two hundred (n=200+) sanitary food cans, over fifty (n=50+) solder dot cans, over fifty (n=50+) tobacco cans, six (n=6) coffee cans, two (n=2) $\frac{1}{2}$ gallon lard buckets, two cartridge shells and miscellaneous wire.

The fire pit, stone bench are situated on the top of a small hill (knoll) along the western portion of the site. The fire pit measures 123 cm (N-S) by 143 cm (E-W). The fire pit consists of over twenty pieces of fire reddened sandstone blocks. The fire pit contains no charcoal or charcoal stained sediments. The stone bench consists of four large angular sandstone blocks and a wood board that is positioned along the northern edge of the hill (knoll).

Glass bottle on the site consist of clear, brown and purple glass fragment. The clear glass bottle are represented by a clear glass round bottle base that exhibits a Owens Illinois Glass Co., Toledo, Ohio bottle makers mark that dates post 1968 (Toulouse 1971:403). This clear bottle is an olive bottle. A second clear round bottle base exhibits a GC makers mark that represents the Glass Containers Corp., Fullerton, Ca. and dates to post 1954 (Toulouse 1971:220). A third clear oval bottle base represents a

(Toulouse 1971:220). A third clear oval bottle base represents a KARO syrup bottle that exhibits a Owens Illinois Glass Co, Toledo, Ohio that dates to 1966 (Toulouse 1971:403).

The purple glass is represented by 10 unidentifiable bottle fragments.

Over two hundred (n=200+) sanitary food cans were inventoried at 42UN5949. In 1898 the AMs "solderless" cans were tested by the Cobb Preserving Co. The canned Bartlet pears and were quite successful with the results. The "solderless can" has also been called the "open top can", but is best known as the "sanitary can". The sanitary can production dominated can production in the West by 1911, however, did not take off until thirty years before they gained complete control of the market (Rock 1987:22). The cans at 42UN5949 date between circa 1950 and 1970's.

Over fifty (n=50+) solder dot cans were inventoried at 42UN5949. The solder dot can, "vent hole" or matchstick filler hole" can were introduced around the turn of the century. These cans are exclusively made for evaporated milk. The evaporated milk industry was by far the most frequent user of this type of can (Rock 1987:21).

Two cartridges were inventoried at the site. The first cartridge exhibits a W.R.A. Co. 303. Sav. Head stamp which represents Winchester Repeating Arms Company and a .303 Savage caliber. The .303 Savage caliber was originally developed as a potential military cartridge in 1895, however its was later introduced commercially as one of several calibers for the popular Savage Model 1899 (Barnes 1965:44). Savage discontinued the cartridge when production was resumed after World War II. England it is known as the .301 Savage. No rifles are chambered for this round at the present time. The second cartridge exhibits a W.R.A. Co. W.C.F. .25-35 head stamp. The head stamp represents the Winchester Repeating Arms Co. Winchester Centerfire .25-35 caliber cartridge and dates between 1895 and 1945 1980:230). The Winchester .25-35 was developed by Winchester and introduced in 1895 for the Model 94 lever action rifle (Barnes 1965:21). Along with the .30-30, it was one of the first small bore, smokeless powder, sporting cartridges developed in te united Winchester, Marlin and Savage all chambered repeating States. lever action rifles for this cartridge. Quite a few single shot rifles also chambered the .25-35 and in Europe it was used in combination type arms. The European designation is the 6.5x52Rmm (Barnes 1965:21). No American rifles have been made for the .25-35 since the end of World War II.

Sediments are shallow (<5 to 10 cm) and consist of tan to light brown, poorly sorted, loosely compacted sandy clay loam mixed with angular pieces of sandstone, clay and shale. The possibility of buried and intact cultural material at the site is low. The site also contain several modern brown beer bottles

(Budweiser, Killians), and soda pop and beer cans. The site is subjected to erosion, deflation and possible vandalism (collection). The site is considered to be in poor condition and in the latter stages of deflation.

National Register Status: Site 42UN5949 is a historic/modern temporary campsite associated with a moderate scatter of cans. The site appears to represent a temporary ranching camp that dates between 1954 and the 1970's.

Sediments are shallow (<5 to 10 cm) and consist of tan to light brown, poorly sorted, loosely compacted sandy clay loam mixed with angular pieces of sandstone, clay and shale. The possibility of buried and intact cultural material at the site is low. The site is subjected to erosion, deflation and possible vandalism (collection). The site is considered to be in poor condition and in the latter stages of deflation.

The site is not associated with any event(s) that has made a significant contribution to the broad pattern(s) of our history, not is it associated with the life or persons significant in our past; nor does it contain any features with distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that posses high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction. In addition, the site can not yield, or may likely yield any additional information important in prehistory or history. Thus 42UN5949 is considered to be not eligible for nomination and/or inclusion to the National Register of Historic Places (NRHP).

Recommendations

A total of 10 (10 block, 0 linear) acres were surveyed for cultural resources by AIA within and around the proposed XTO Energy Corporation Little Canyon Unit #16-36F well, and along its access and pipeline. One site (42UN5949) was recorded. The site is a historic/modern temporary ranching camp associated with a trash scatter. The site is considered to be non-significant and ineligible for nomination and inclusion to the National Register of Historic Places. No additional cultural resources (sites, isolates) were recorded on or around the proposed LCU #16-36F or along its access and pipeline.

A moderate scatter of modern trash (plastic bottles, sanitary food cans, miscellaneous metal, wire, green, brown and clear glass bottles and bottle fragments, foam insulation, etc.) can be found on and surrounding the existing well pads and along the existing oil and gas field service roads in the Little Canyon Unit area.

The site will be impacted by construction of the LCU #16-36F well, its access and pipeline. However, the site does not contain any attributes that make it significant or eligible to the NRHP.

Sediments on and surrounding the proposed well pad, and along its access and pipeline are shallow. Therefore, the possibility of buried and/or intact cultural materials on the proposed well pad or along its access and pipeline is low. Therefore, no additional archaeological work is necessary and clearance is recommended for the construction of the Little Canyon Unit #16-36F well pad, its access, and pipeline.

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 Duchesne, Utah by AIA, Laramie, Wyoming.

PALEONTOLOGY EVALUATION SHEET

PROJECT: XTO Energy, Inc. – LCU #16-36F LOCATION: 15 miles south of Ouray, Uintah County, Utah. Section 36, 815' FSL 471' FEL, T10S, R20E, S.L.B.&M. OWNERSHIP: PRIV[] STATE[X] BLM[] USFS[] NPS[] IND[] MIL[] OTHER[] **DATE:** October 2, 2007 GEOLOGY/TOPOGRAPHY: Rock outcrops in this area are the lower part of Uinta Formation, Eocene age. There is a short access road and pipeline to the well location which sits just west of the Seep Ridge Road on an east slope east of a round top hill. Area is of moderate to low relief. There are rock exposures next to the southeast corner and the pit will go into the hill with Uinta Formation. Surface is mostly slope wash and other alluvium. **PALEONTOLOGY SURVEY:** YES [X] NO Survey [] PARTIAL Survey [] Pedestrian Survey of Uinta Formation rock exposures at the well pad/pit and along the access road and pipeline. **SURVEY RESULTS:** Invertebrate [] Plant [] Vertebrate [] Trace [] No Fossils Found [X] PALEONTOLOGY SENSITIVITY: HIGH [] MEDIUM [x] LOW [x] (PROJECT SPECIFIC)

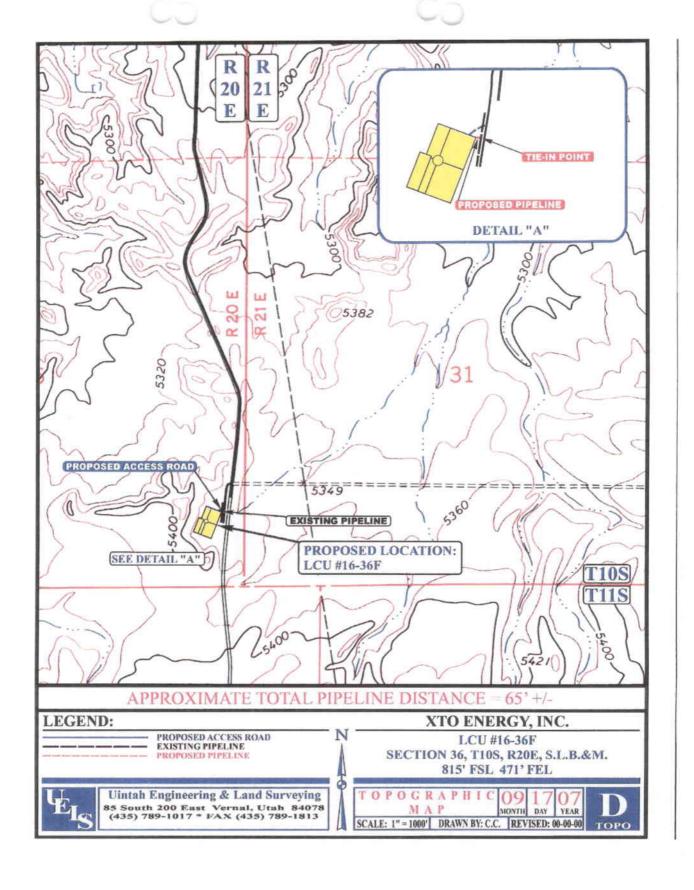
There is always some potential for discovery of significant paleontological resources in the Uinta

MITGATION RECOMMENDATIONS: NONE [X] OTHER [] (SEE BELOW)

Formation. If significant vertebrate fossils (mammals, crocodiles, complete turtle shells, etc.) are encountered during construction, work should stop in that area and a paleontologist should be contacted to evaluate the material discovered.

PALEONTOLOGIST: Alden H. Hamblin

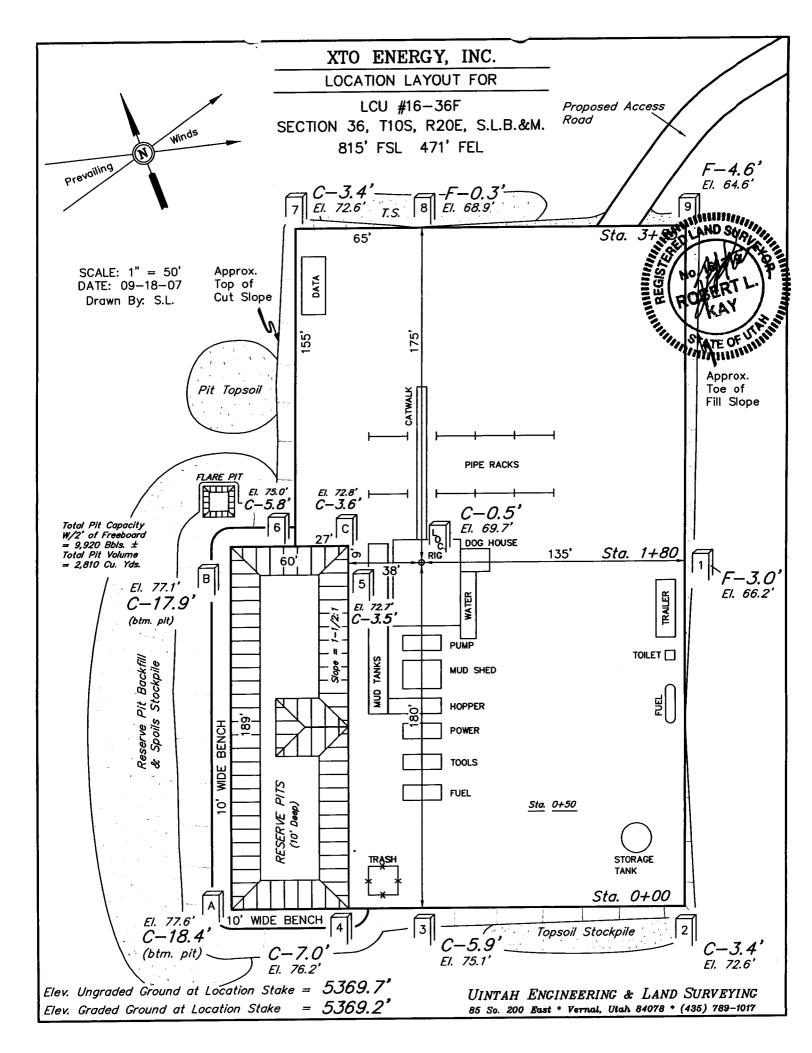
A.H. Hamblin Paleontological Consulting, 3793 N. Minersville Highway, Cedar City, Utah 84720 (435) 867-8355 Utah State Paleontological Permit # 07-355, BLM paleontological Resources Permit # UT-S-05-02, Utah Professional Geologist License — 5223011-2250.

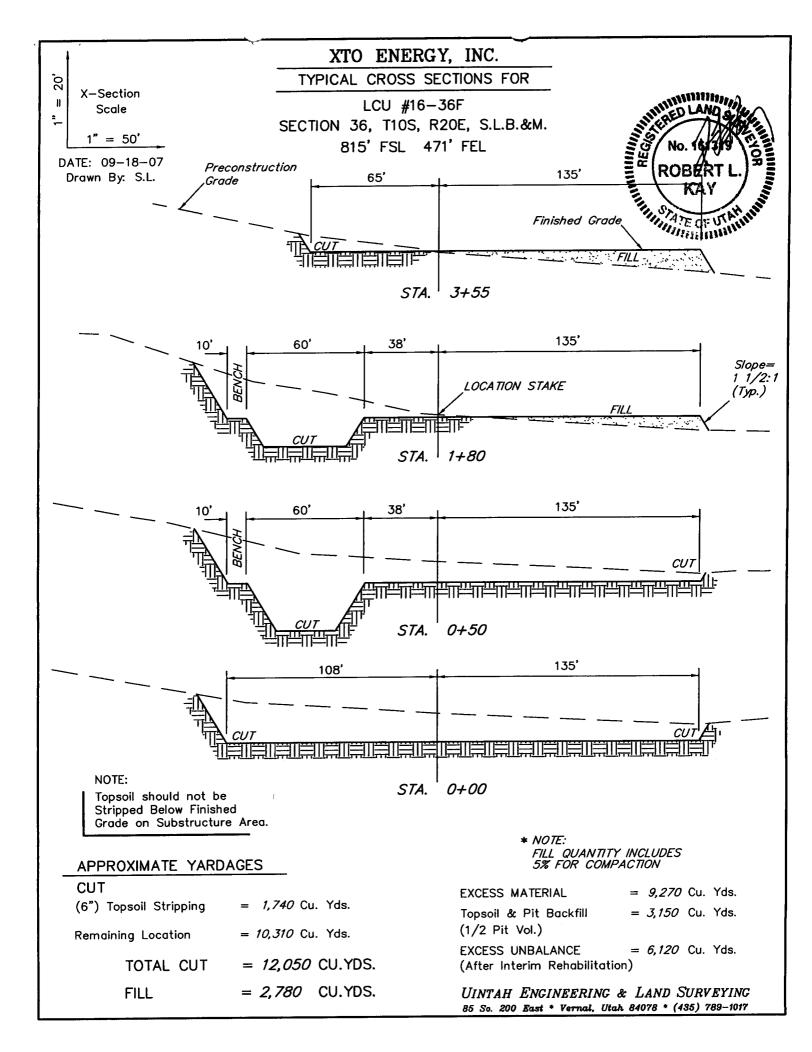


XTO ENERGY, INC. LCU #16-36F SECTION 36, T10S, R20E, S.L.B.&M.

PROCEED IN A SOUTHERLY THEN SOUTHEASTERLY DIRECTION FROM OURAY, UTAH APPROXIMATELY 9.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 6.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 300' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 130' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM OURAY, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 15.3 MILES.





XTO ENERGY, INC.

LCU #16-36F

LOCATED IN UINTAH COUNTY, UTAH **SECTION 36, T10S, R20E, S.L.B.&M.**

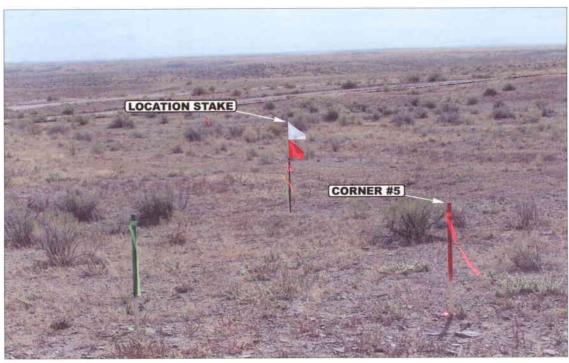


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

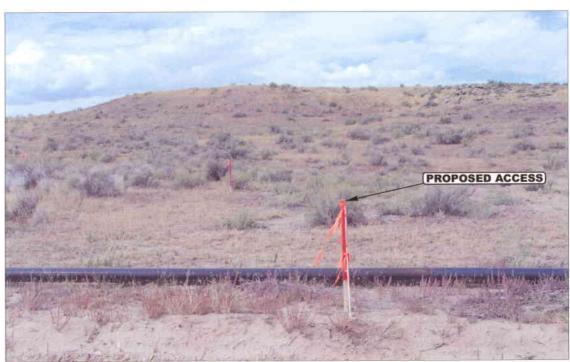


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



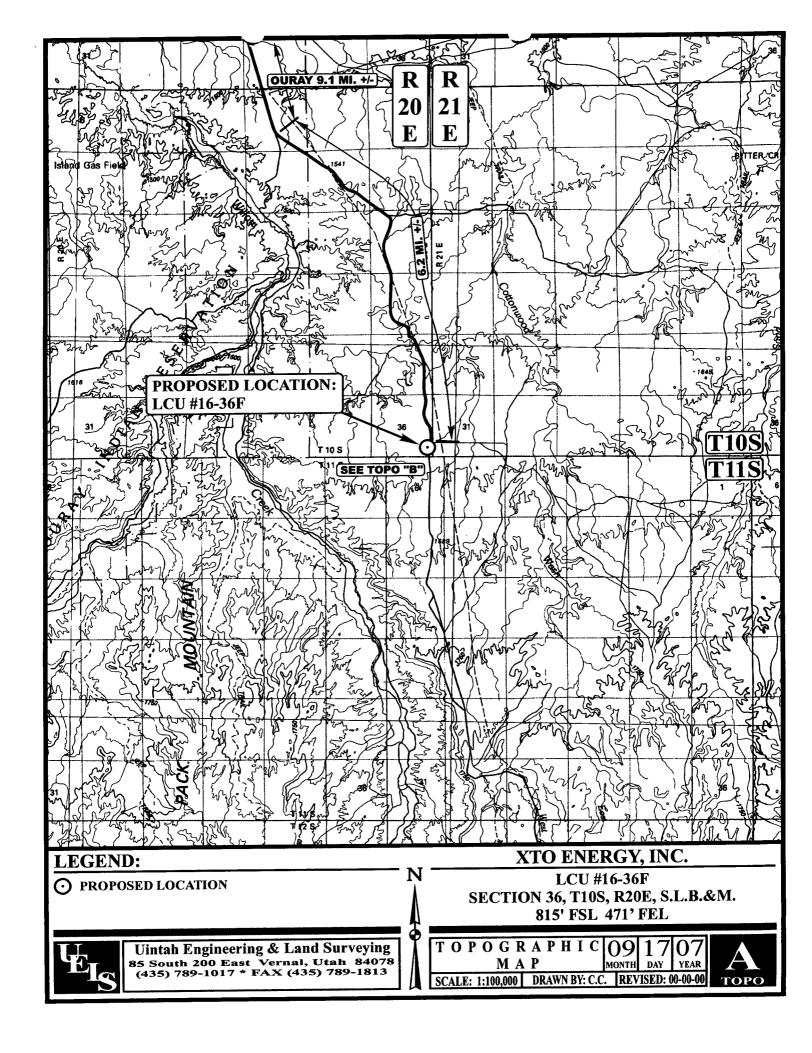
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

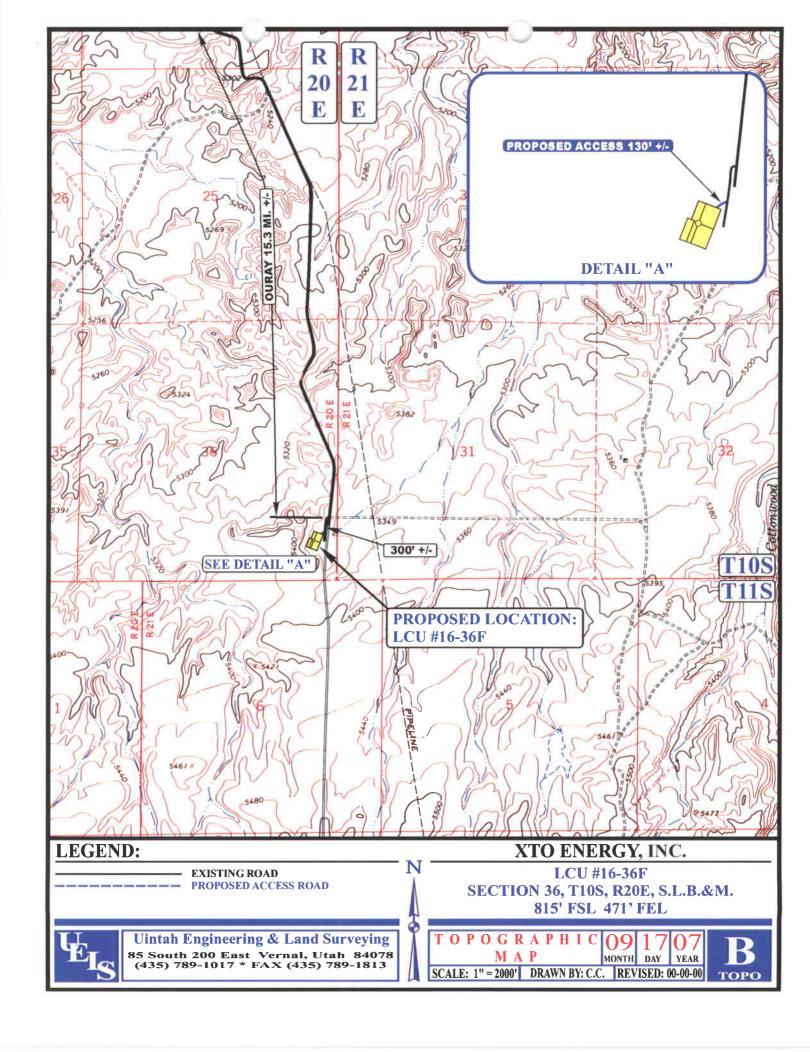
LOCATION PHOTOS

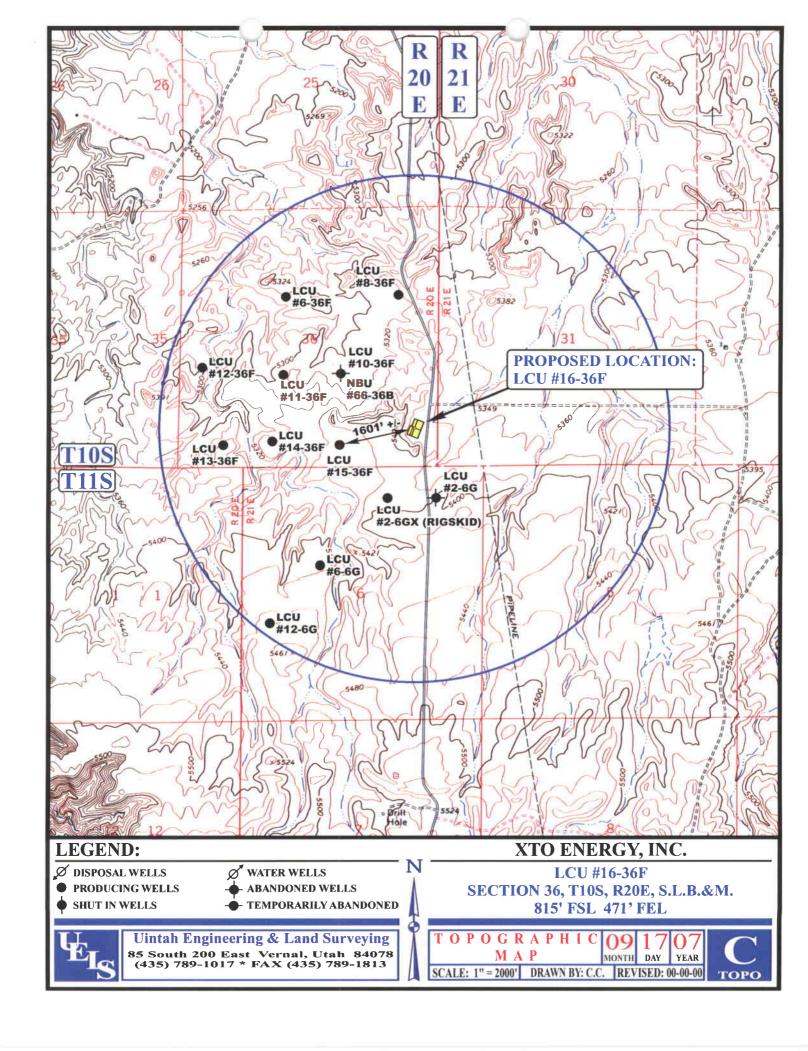
MONTH DAY

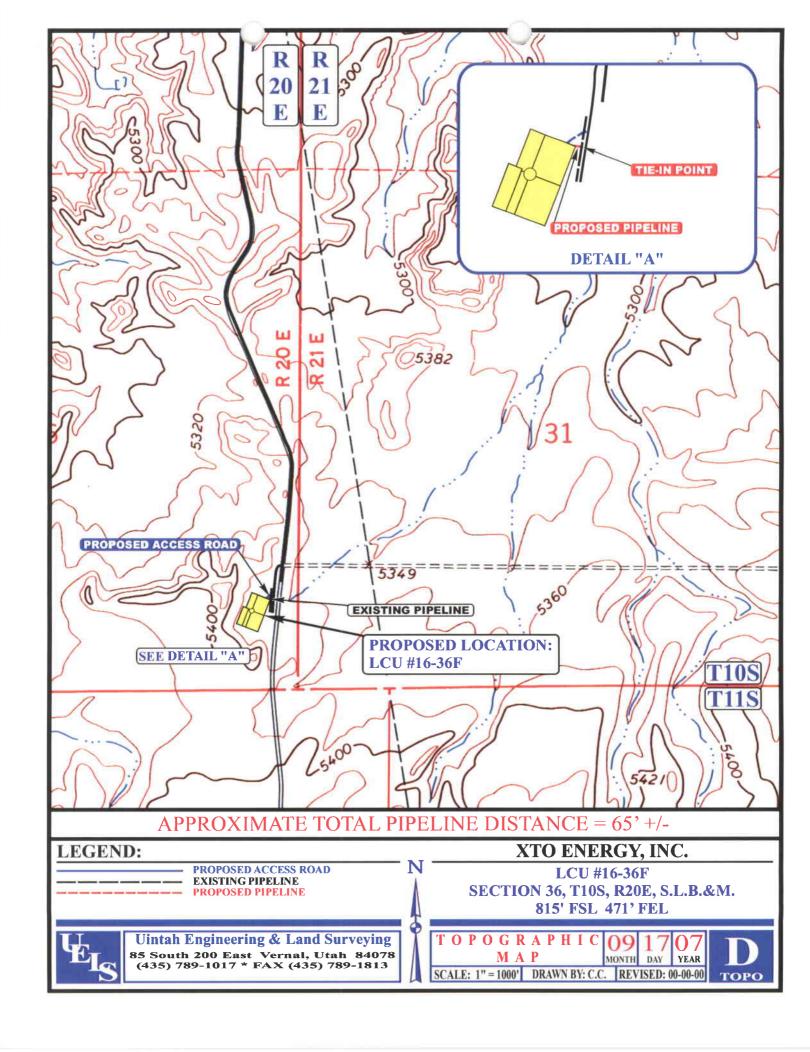
YEAR

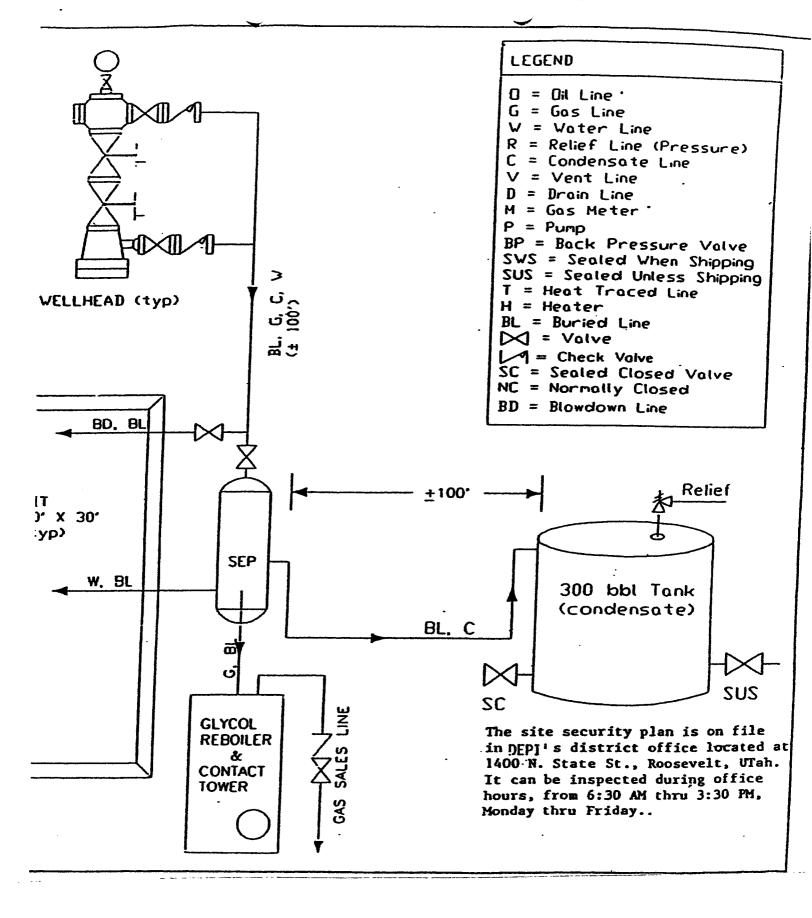
TAKEN BY: B.B. DRAWN BY: C.C. REVISED: 00-00-00





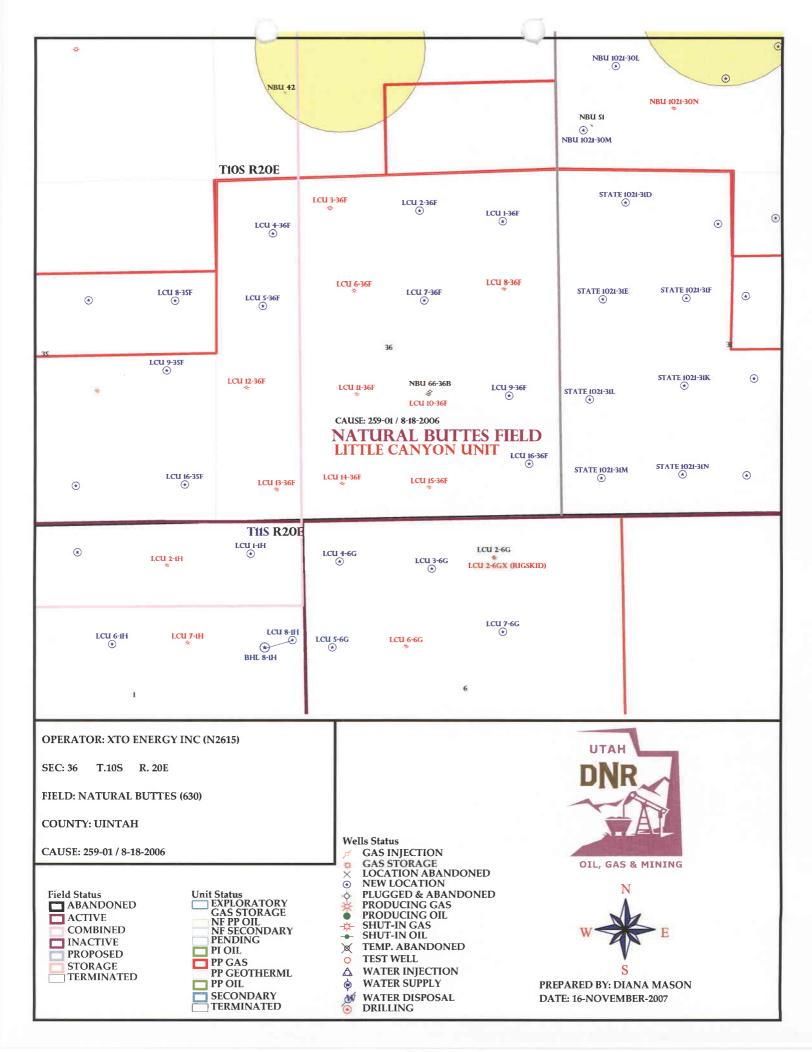






WORKSHEET APPLICATION FOR PERMIT TO DRILL

| APD RECEIVED: 11/09/2007 | API NO. ASSIGNED: 43-047-39784 | | | | |
|--|--|--|--|--|--|
| WELL NAME: LCU 16-36F OPERATOR: XTO ENERGY INC (N2619 CONTACT: DON HAMILTON |) PHONE NUMBER: 435-722-4521 | | | | |
| PROPOSED LOCATION: | INSPECT LOCATN BY: / / | | | | |
| SESE 36 100S 200E | Tech Review Initials Date | | | | |
| SURFACE: 0815 FSL 0471 FEL BOTTOM: 0815 FSL 0471 FEL | Engineering DND 12/7/07 | | | | |
| COUNTY: UINTAH | Geology | | | | |
| LATITUDE: 39.89892 LONGITUDE: -109.6050 UTM SURF EASTINGS: 619255 NORTHINGS: 44 | Surface | | | | |
| FIELD NAME: NATURAL BUTTES (63 | | | | | |
| LEASE TYPE: 3 - State LEASE NUMBER: ML-47391 SURFACE OWNER: 3 - State | PROPOSED FORMATION: WSMVD COALBED METHANE WELL? NO | | | | |
| RECEIVED AND/OR REVIEWED: | LOCATION AND SITING: | | | | |
| ✓ Plat ✓ Bond: Fed[] Ind[] Sta[] Fee[] (No. 104312762) M Potash (Y/N) ✓ Oil Shale 190-5 (B) or 190-3 or 190-1 ✓ Water Permit (No. 43-10447) N RDCC Review (Y/N) (Date:) Intent to Commingle (Y/N) | R649-3-3. Exception Drilling Unit Board Cause No: 259-01 Eff Date: 8-18-2004 Siting: 460'W What & Mucomm. Thee R649-3-11. Directional Drill | | | | |
| COMMENTS: (1) | esu (11-27-07) | | | | |
| 2-Oic | SHALE (sg (m+s+,p) | | | | |



Application for Permit to Drill Statement of Basis

11/29/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No

API WellNo

Status

Well Type

Surf Ownr

CBM

600

Field

43-047-39784-00-00

Surface Owner-APD

GW

S

No

Operator XTO ENERGY INC

UNDESIGNATED

T I-- 24

Unit

Type of Work

Location SESE 36

Well Name LCU 16-36F

SESE 36 10S 20E S 815 FSL 471 FEL

GPS Coord (UTM) 619255E 4417259N

Geologic Statement of Basis

XTO proposes to set 2,200 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 4,400 feet. A search of Division of Water Rights records shows 1 water well within a 10,000 foot radius of the proposed location. This well is over a mile from the proposed location. The well is owned by the BLM it is listed as used for stock watering. The surface formation at this location is he Uinta Formation. The well depth is listed as 2,500 feet. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing and cement should adequately protect any near surface aquifers. The production string cement should be brought up above the base of the moderately saline water to prevent it from mixing with fresher waters up hole.

Brad Hill

11/29/2007

APD Evaluator

Date / Time

Surface Statement of Basis

The general area is approximately 14 miles southwest of Ouray, Utah and in an oil field Unit known as Little Canyon. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle to deep draws running westerly a distance of about 3 miles into Willow Creek. The draws are occasionally rimed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Willow Creek contains a perennial stream. No other seeps, springs or streams are known to exist in the area. An occasional pond collecting runoff for livestock and antelope occurs.

The LCU 16-36F proposed gas well is 13.6 miles southeast of Ouray and is accessed by the Seep Ridge Road. A new road 300 feet in length will be constructed to the west from this road. This road will cross an existing 8-inch pipeline owned by XTO, which will be buried at the crossing.

The location is planned on a flat surrounded by higher hills except to the east toward the road. Light side slope drainage consisting mostly of overland flow occurs from the slopes to the south. This will be cutoff by the reserve pit spoils while the pit is open. A diversion ditch to the west around the location may be desirable when the pit is closed.

Both the surface and minerals are owned by SITLA. Ed Bonner and Jim Davis of SITLA were invited to the pre-site evaluation. Neither attended. This investigation did not reveal any significant issues or situations, which should prohibit access to or drilling and operating the well at this site.

Ben Williams representing the UDWR stated the area is classified as yearlong crucial habitat for antelope but water not forage is the factor limiting the growth of the herd. He did not recommend any restrictions for this species. No other wildlife species are expected to be significantly affected. He furnished Ken Secriest of XTO, a copy of his evaluation and a recommended seed mix to be used when the site is re-vegetated.

Floyd Bartlett

11/27/2007

Onsite Evaluator

Date / Time

Application for Permit to Drill Statement of Basis

11/29/2007

Utah Division of Oil, Gas and Mining

Page 2

Conditions of Approval / Application for Permit to Drill

Category Condition

Pits A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be

properly installed and maintained in the reserve pit.

Surface Drainageabove the location may need to be diverted around the location when the

reserve pit is closed.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator

XTO ENERGY INC

Well Name

LCU 16-36F

API Number

43-047-39784-0

APD No 600 10S

Field/Unit UNDESIGNATED

Location: 1/4.1/4 SESE

Sec 36 Tw Rng 20E

815 FSL 471 FEL

GPS Coord (UTM) 618758

4418061

Surface Owner

Participants

Floyd Bartlett (DOGM), Ken Secrist, Jody Mecham, Zander Mcyentire (XTO Energy, INC.), Ben Williams (UDWR), Brandon Bowthorpe (U.E.L.S.), David Allen (LaRose Construction), Randy Jackson (Jackson Construction).

Regional/Local Setting & Topography

The general area is approximately 14 miles southwest of Ouray, Utah and in an oil field Unit known as Little Canyon. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle to deep draws running westerly a distance of about 3 miles into Willow Creek. The draws are occasionally rimed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Willow Creek contains a perennial stream. No other seeps, springs or streams are known to exist in the area. An occasional pond collecting runoff for livestock and antelope occurs.

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Both the surface and minerals are owned by SITLA. This investigation did not reveal any significant issues or situations, which should prohibit access to or drilling and operating the well at this site.

Surface Use Plan

Current Surface Use

Recreational

Wildlfe Habitat

New Road

Miles Well Pad **Src Const Material**

Surface Formation

0.01

Width 243

Length 355

Onsite

UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Sparsely vegetated with greasewood cheat grass, mustard weed.

Antelope, coyotes, rabbits and miscellaneous small mammals and birds.

Soil Type and Characteristics

Medium deep sandy clay loam with some small surface rock.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? N Paleo Potental Observed? N Cultural Survey Run? Y Cultural Resources?

Reserve Pit

| Site-Specific Factors | | Site I | Ranking | |
|---|------------------|-------------|---------|---------------------|
| Distance to Groundwater (feet) | >200 | | 0 | |
| Distance to Surface Water (feet) | >1000 | | 0 | |
| Dist. Nearest Municipal Well (ft) | >5280 | | 0 | |
| Distance to Other Wells (feet) | 300 to 1320 | | 10 | |
| Native Soil Type | Mod permeability | | 10 | |
| Fluid Type | Fresh Water | | 5 | |
| Drill Cuttings | Normal Rock | | 0 | |
| Annual Precipitation (inches) | <10 | | 0 | |
| Affected Populations | <10 | | 0 | |
| Presence Nearby Utility Conduits | Not Present | | 0 | |
| | | Final Score | 25 | 1 Sensitivity Level |

Characteristics / Requirements

A 60' x 189' x 10' deep reserve pit is planned in an area of cut on the southwest side of the location. It will be lined with a 16-mil liner with an appropriate thickness of felt sub liner.

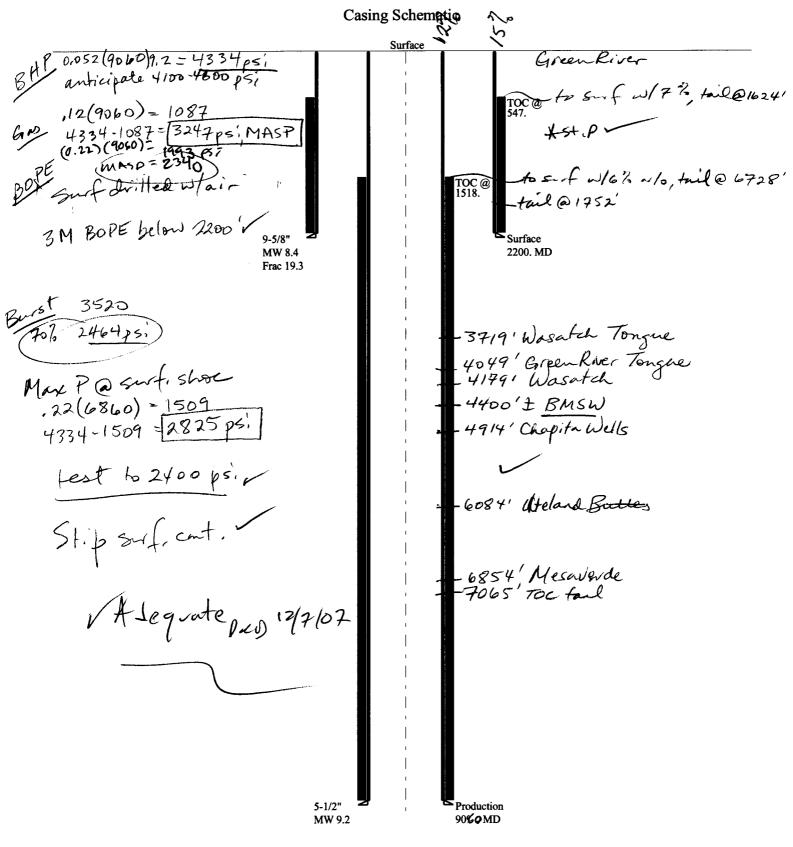
Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? Y

Other Observations / Comments

Appears to be an old sheep camp or other habitation site on the proposed location consisting of boards and cans. ATV's were used to access the site.

Floyd Bartlett 11/27/2007
Evaluator Date / Time

2007-12 XTO LCU 16-36F



Well name:

2007-12 XTO LCU 16-36F

Operator:

XTO Energy, Inc.

String type:

Surface

Location:

Uintah Co.

Project ID:

43-047-39784

Design parameters:

Collapse

Mud weight: Design is based on evacuated pipe.

8.400 ppg

Minimum design factors:

Collapse: Design factor

1.125

Environment:

H2S considered? Surface temperature:

65 °F Bottom hole temperature: 96 °F 1.40 °F/100ft

No

Temperature gradient:

Minimum section length:

185 ft

Burst:

Design factor

1.00

1.80 (J)

1.80 (J)

1.60 (J)

Cement top:

547 ft

Burst

Max anticipated surface

pressure:

1,936 psi 0.120 psi/ft

Internal gradient: Calculated BHP 2,200 psi

No backup mud specified.

Tension:

8 Round STC: 8 Round LTC: **Buttress:**

Premium: Body yield:

1.50 (J) 1.50 (B)

Tension is based on air weight. Neutral point: 1,927 ft Non-directional string.

Re subsequent strings:

Next setting depth: Next mud weight: Next setting BHP:

9,060 ft 9.200 ppg 4,330 psi

Fracture mud wt: Fracture depth: Injection pressure: 19.250 ppg 2,200 ft 2,200 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | internal Capacity (ft³) |
|------------|----------------------------------|---------------------------------------|---------------------------------------|--------------------------------|------------------------------------|-----------------------------------|---------------------------------|--------------------------------------|---------------------------------------|
| 1 | 2200 | 9.625 | 36.00 | J-55 | ST&C | 2200 | 2200 | 8.796 | 954.9 |
| Run Seq | Collapse Load (psi) 960 | Collapse Strength (psi) 2020 | Collapse Design Factor 2.104 | Burst Load (psi) 2200 | Burst Strength (psi) 3520 | Burst Design Factor 1.60 | Tension Load (Kips) 79 | Tension Strength (Kips) 394 | Tension Design Factor 4.97 J |

Prepared

Helen Sadik-Macdonald

Div of Oil, Gas & Minerals by:

Phone: 810-538-5357

Date: December 5,2007 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 2200 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

Well name:

2007-12 XTO LCU 16-36F

Operator:

XTO Energy, Inc.

String type:

Production

Project ID:

43-047-39784

Location:

Collapse

Uintah Co.

Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125 **Environment:**

H2S considered? Surface temperature: No 65 °F

Bottom hole temperature: Temperature gradient:

192 °F 1.40 °F/100ft

Minimum section length:

368 ft

Burst:

Design factor

1.00

1.80 (J)

1.80 (J)

1.60 (J)

1.79

Cement top:

1.488 ft

Burst

Max anticipated surface

pressure:

Design parameters:

Mud weight:

2,337 psi

9.200 ppg

Internal gradient: Calculated BHP

0.220 psi/ft 4,330 psi

No backup mud specified.

4330

1

Tension:

8 Round STC:

8 Round LTC: **Buttress:**

Premium:

4330

1.50 (J) Body yield: 1.50 (B)

Tension is based on air weight. Neutral point: 7,796 ft Non-directional string.

Nominal End True Vert Measured Drift Internal Run Segment Depth Depth **Diameter** Capacity Length Size Weight Grade **Finish** Seq (ft³) (lbs/ft) (ft) (ft) (in) (ft) (in) 9060 17.00 N-80 LT&C 9060 9060 4.767 1182.6 1 5.5 **Burst Tension Tension Tension** Collapse Collapse Collapse **Burst Burst** Run Load Strength Design Strength Design Sea Load Strength Design Load (Kips) **Factor Factor Factor** (Kips) (psi) (psi) (psi) (psi)

7740

Prepared

Helen Sadik-Macdonald

Div of Oil, Gas & Minerals by:

6290

1.453

Phone: 810-538-5357

Date: December 6,2007 Salt Lake City, Utah

348

154

2.26 J

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 9060 ft, a mud weight of 9.2 ppg The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

November 16, 2007

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2007 Plan of Development Little Canyon Unit

Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2007 within the Little Canyon Unit, Uintah County, Utah.

API#

WELL NAME

LOCATION

(Proposed PZ Wasatch/MesaVerde)

43-047-39788 LCU 07-36F Sec 36 T10S R20E 1991 FNL 2059 FEL 43-047-39780 LCU 01-36F Sec 36 T10S R20E 0782 FNL 0823 FEL 43-047-39781 LCU 02-36F Sec 36 T10S R20E 0577 FNL 2112 FEL 43-047-39782 LCU 04-36F Sec 36 T10S R20E 0860 FNL 0889 FWL 43-047-39783 LCU 09-36F Sec 36 T10S R20E 1879 FSL 0766 FEL 43-047-39784 LCU 16-36F Sec 36 T10S R20E 0815 FSL 0471 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Little Canyon Unit

Division of Oil Gas and Mining

Central Files Agr. Sec. Chron Fluid Chron

MCoulthard:mc:11-16-07



State 6. Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

December 17, 2007

XTO Energy, Inc. P O Box 1360 Roosevelt, UT 84066

Re: Little Canyon Unit 16-36F Well, 815' FSL, 471' FEL, SE SE, Sec. 36, T. 10 South,

R. 20 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39784.

Sincerely,

Gil Hunt

Associate Director

Digth

pab Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal Office

SITLA



| Operator: | XTO Energy, Inc. | |
|--------------------|---------------------------|--|
| Well Name & Number | Little Canyon Unit 16-36F | |
| API Number: | 43-047-39784 | |
| Lease: | ML-47391 | |

Location: SE SE

Sec. 36

T. 10 South

R. 20 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment contact Dan Jarvis
- 24 hours prior to spudding the well contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well contact Dustin Doucet
- Any changes to the approved drilling plan contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

• Dan Jarvis at:

(801) 538-5338 office

(801) 942-0873 home

• Carol Daniels at:

(801) 538-5284 office

• Dustin Doucet at:

(801) 538-5281 office

(801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

Page 2 43-047-39784 December 17, 2007

- 4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
- 5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
- 6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
- 7. Surface casing shall be cemented to the surface.



2580 Creekview Road Moab, Utah 84532 NAL FIELD OFFIC 435/719-2018 435/719-2019 Fax

2007 NOV -9 PM 2: 37

November 7, 2007

Mrs. Diana Mason State of Utah Division of Oil Gas and Mining P.O. Box 145801 Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill—XTO Energy, Inc. LCU 16-36F - 815' FSL & 471' FEL, SE/4 SE/4,

Section 36, T10S, R20E, SLB&M, Uintah County, Utah

Dear Diana:

On behalf of XTO Energy, Inc. Buys & Associates, Inc. respectfully submits the enclosed original and one copy of the Application for Permit to Drill (APD) for the above referenced SITLA surface and mineral vertical well The location of the surface and target location as well as all points along the intended well bore path are within Cause No. 259-01 and are not within 460 feet of the unit boundary or any uncommitted tracts. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats, layouts and photos of the proposed well site;

Exhibit "B" - Proposed location maps with access and utility corridors;

Exhibit "C" - Production site layout;

Exhibit "D" - Drilling Plan;

Exhibit "E" - Surface Use Plan with APD Certification;

Exhibit "F" - Typical BOP and Choke Manifold diagram;

Exhibit "G" - Cultural and Paleontological Clearance Reports.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Ken Secrest of XTO Energy, Inc. at 435-722-4521 if you have any questions or need additional information.

Sincerely,

Don Hamilton Agent for XTO Energy, Inc.

cc: Fluid Mineral Group, BLM-Vernal Field Office Ken Secrest, XTO Energy, Inc.

RECEIVED FEB 07 2008

DIV. OF OIL, GAS & MINING

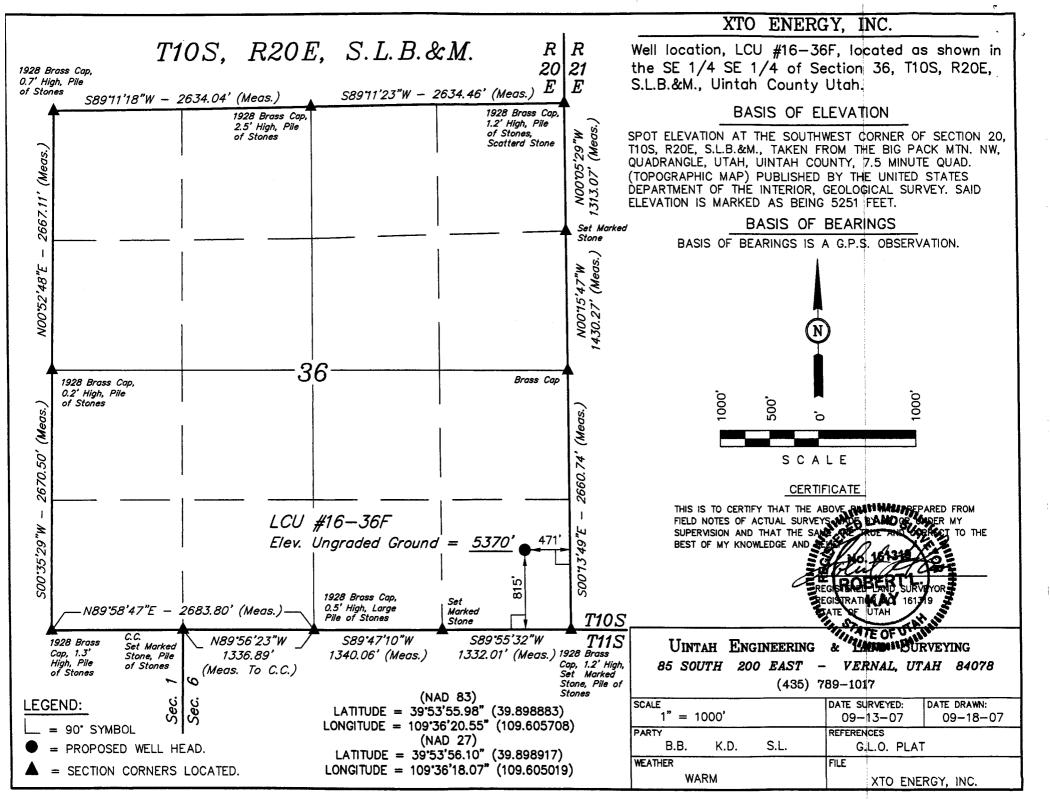
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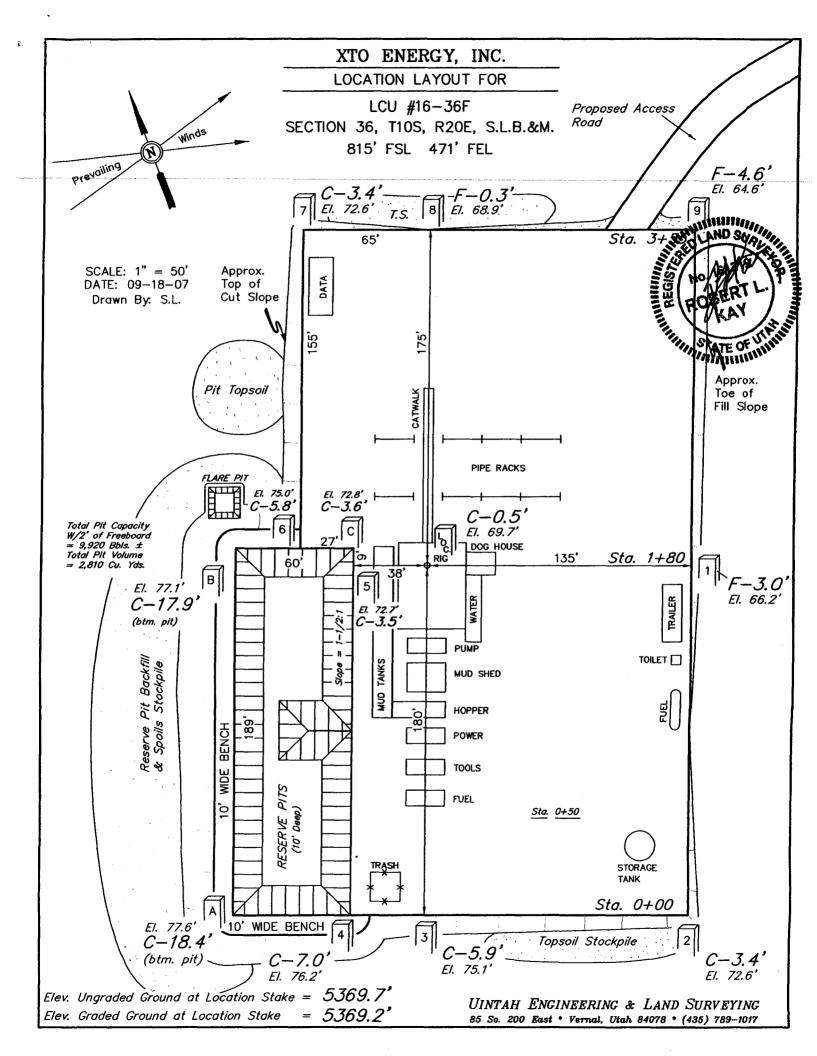
STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS AND MINING REVED WERNAL STELLER

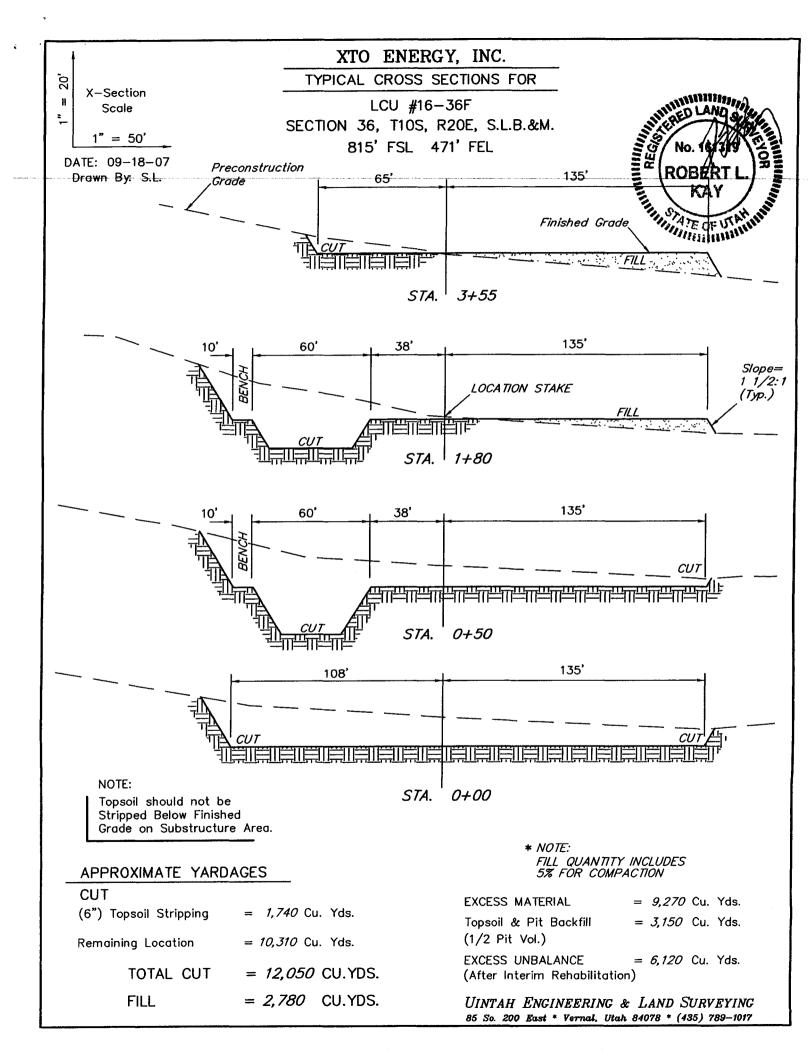
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| IF INDIAN, ALLOTTEE OR | TRIBE NAME: |
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| ittle Canyon Unit | |
| CU 16-36F | |
| . FIELD AND POOL, OR WI Indesignated | LDCAT: |
| . QTR/QTR, SECTION, TOV MERIDIAN: | VNSHIP, RANGE, |
| MERIDIAN: ESE 36 10S | |
| 10C | , 20L O |
| . COUNTY: | 13. STATE: |
| Jintah | UTAH |
| BER OF ACRES ASSIGNED | TO THIS WELL: |
| | 40 |
| DESCRIPTION: | |
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| NATED DURATION: | |
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| | | APPLICATIO | N FOR | PERMIT TO | DRILL ₂ | MATMON LO D | | 5. MINERAL LEASE NO: ML-47391 | 6. SURFACE: State |
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| B. TYPE OF WE | LL: OIL | GAS 🗹 OTI | HER | SIN | GLE ZONE |] . MULTIPLE ZON | E [Z] | 8 UNIT OF CA AGREEMENT N | |
| 2. NAME OF OPE | | <u> </u> | | | | | | 9. WELL NAME and NUMBER | |
| 3. ADDRESS OF | OPERATOR: | | | | | PHONE NUMBER: | | LCU 16-36F 10. FIELD AND POOL, OR WI | LDCAT: |
| P.O. Box 13 | | CHY Rooseve | lt STA | TE UT ZIP 84 | 066 | (435) 722-4521 | | undesignated 11. QTR/QTR, SECTION, TOV | MISHIP PANCE |
| | • | & 471' FEL, | | | | | | MERIDIAN: | |
| AT PROPOSED | | | | | | | | SESE 36 10S | S 20E S |
| 14. DISTANCE IN | MILES AND DIF | RECTION FROM NEARES | T TOWN OR PO | ST OFFICE: | | | | 12. COUNTY: | 13. STATE: |
| | | ast of Ouray, Uta | | | | | | Uintah | HATU |
| 15. DISTANCE TO 471' | NEAREST PRO | OPERTY OR LEASE LINE | (FEET) | 16. NUMBER O | FACRES IN LEAS | SE: 640 | 17. N | JMBER OF ACRES ASSIGNED | TO THIS WELL: |
| 18. DISTANCE TO | | LL (DRILLING, COMPLETI | ED, OR | 19. PROPOSED | DEPTH: | 040 | 20. B | OND DESCRIPTION: | |
| 1,601' | ON THIS LEAS | SE (FEET) | | | | 9,060 | 10 | 4312 762 | |
| | • | HER DF, RT, GR, ETC.): | | 22. APPROXIMA 1/15/200 | ATE DATE WORK | (WILL START: | 1 | STIMATED DURATION: | |
| 5,370' ung | graded gro | ouna | | 1/15/200 | | | | days | |
| 24. | | | PROPOS | ED CASING A | ND CEMEN | TING PROGRAM | | | |
| SIZE OF HOLE | CASING SIZE | E, GRADE, AND WEIGHT I | PER FOOT | SETTING DEPTH | | CEMENT TYPE, QUA | ANTITY, | YIELD, AND SLURRY WEIGHT | |
| ! | | | | | | | | | |
| 12-1/4" | 9-5/8" | J-55 ST | 36# | 2,200 | see Drillin | | | - <u></u> | |
| 7-7/8" | 5-1/2" | N-80 LT | 17# | 9,060 | see Drillin | g Plan | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | ····· | | | | | | | |
| | | | | | | | | | |
| 25. | | | | ATTA | CHMENTS | | | | |
| VERIFY THE FOL | LOWING ARE A | TTACHED IN ACCORDAN | CE WITH THE L | JTAH OIL AND GAS C | ONSERVATION (| GENERAL RULES: | | | |
| WELL PL | AT OR MAP PRE | EPARED BY LICENSED SU | JRVEYOR OR E | NGINEER | ☑ co | MPLETE DRILLING PLAN | | | |
| EVIDENC | E OF DIVISION | OF WATER RIGHTS APP | ROVAL FOR USI | E OF WATER | FOF | RM 5, IF OPERATOR IS PE | RSON C | R COMPANY OTHER THAN TH | E LEASE OWNER |
| | | · | | | | *************************************** | | | |
| | D | . I a a a ilk | | | | A | - | I | |
| NAME (PLEASE F | PRINT) UON I | | 0 A | ··· | TITLE | Agent for XTO | Ene | gy, inc. | |
| SIGNATURE | Don | Hami | lten. | | DATE | 11/7/2007 | | | |
| This space for Stat | e use only) | | | | | | | | |
| | | | | | | AC | ∨ ∈ | mmen by all M | E/O |
| API NUMBER ASS | SIGNED: | | | | APPROVAL: | | | PTED BY BLM PURPOSES O | |
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| 11/2001) | | | | (See Instruction | ns on Reverse Sid | RECEIVE | בט | FEB 5 2008 | |

FEB 0 7 2008







XTO ENERGY, INC.

LCU #16-36F

LOCATED IN UINTAH COUNTY, UTAH SECTION 36, T10S, R20E, S.L.B.&M.

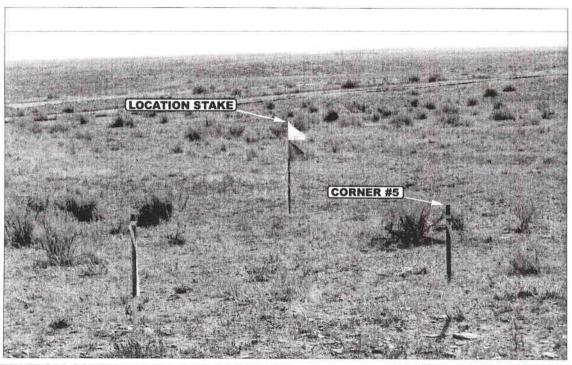


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

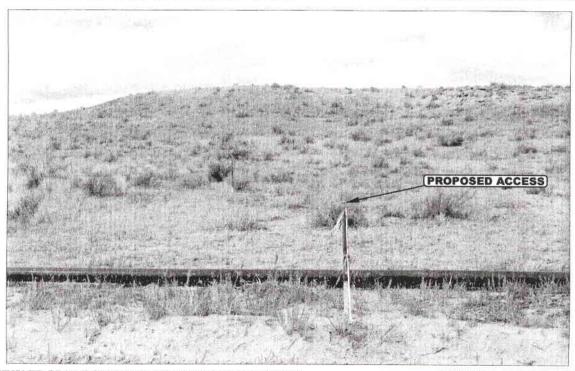


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY

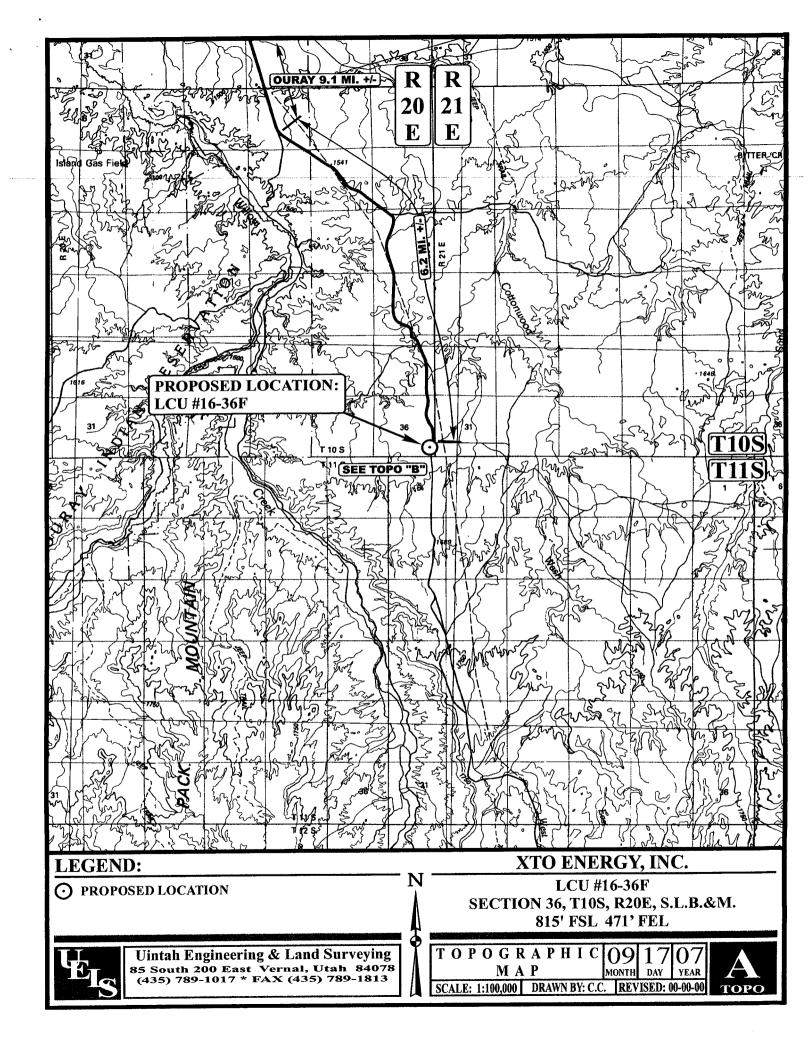


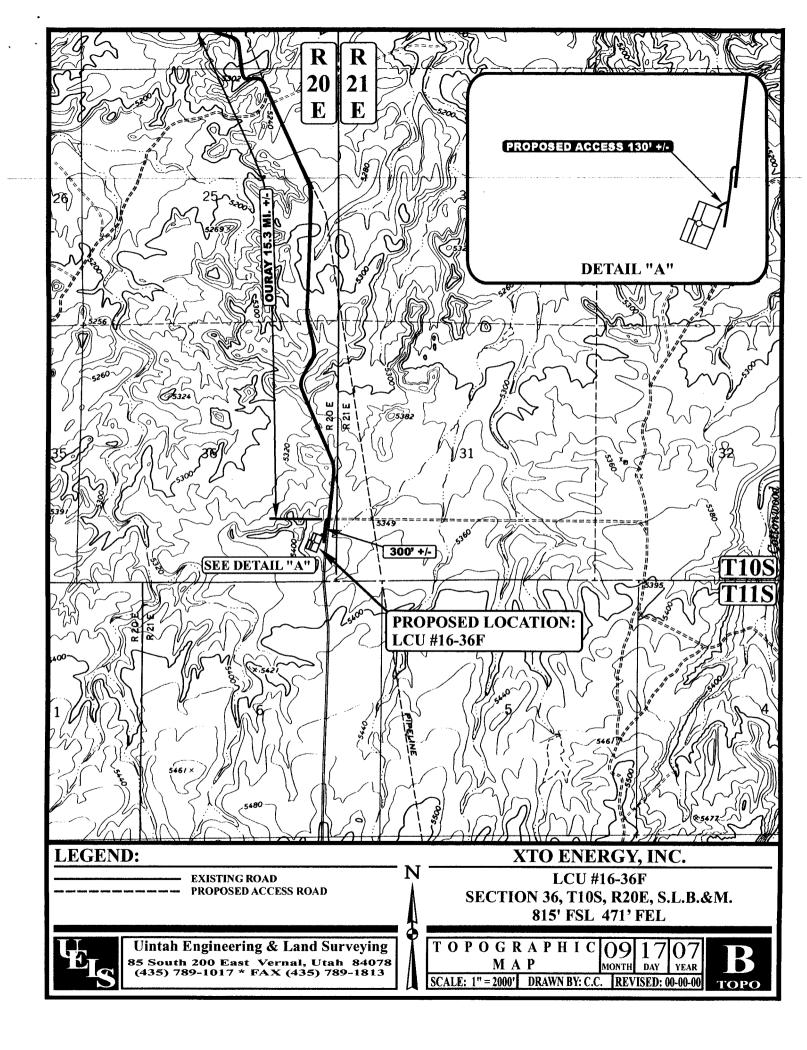
Uintah Engineering & Land Surveying S South 200 East Vernal, Utah 84078 435-789-1017 Vernal, Utah 84078 uels@uelsinc.com

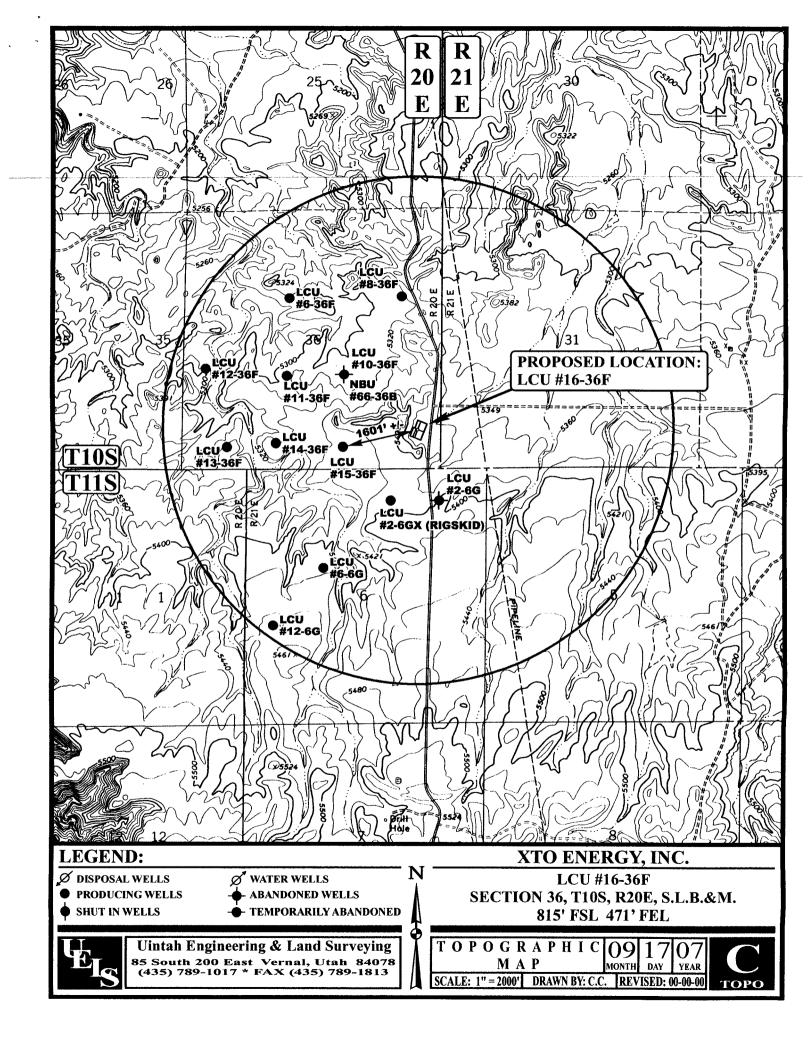
LOCATION PHOTOS

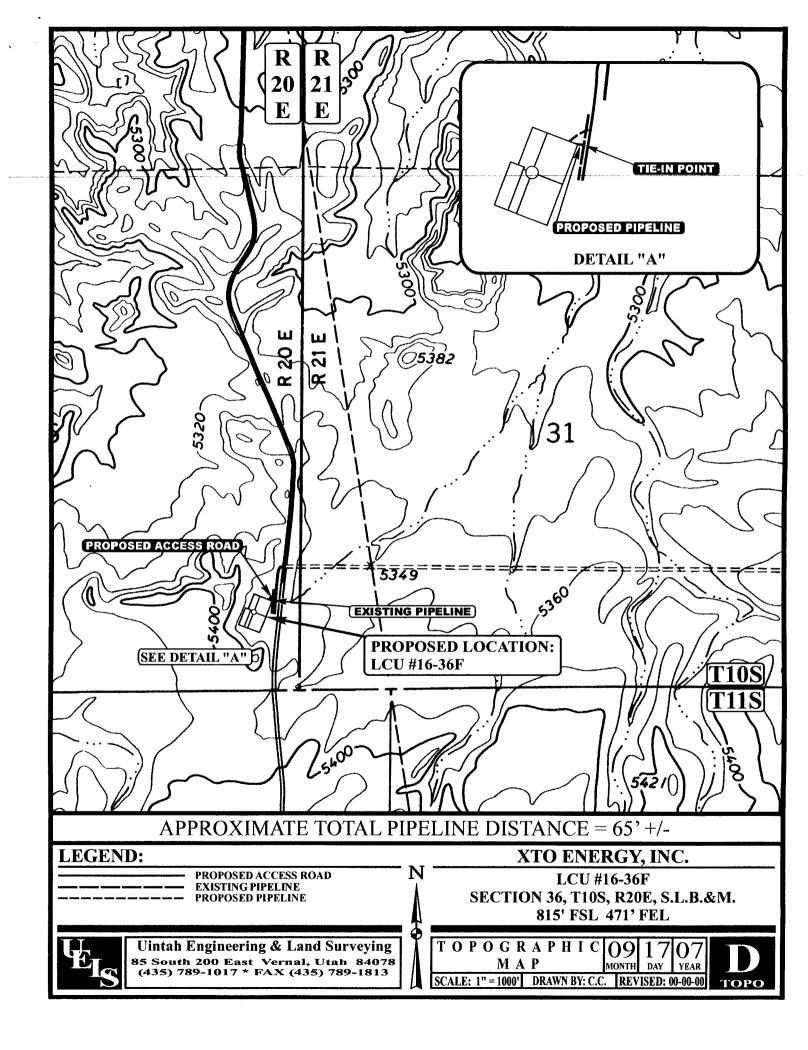
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TAKEN BY: B.B. | DRAWN BY: C.C. | REVISED: 00-00-00





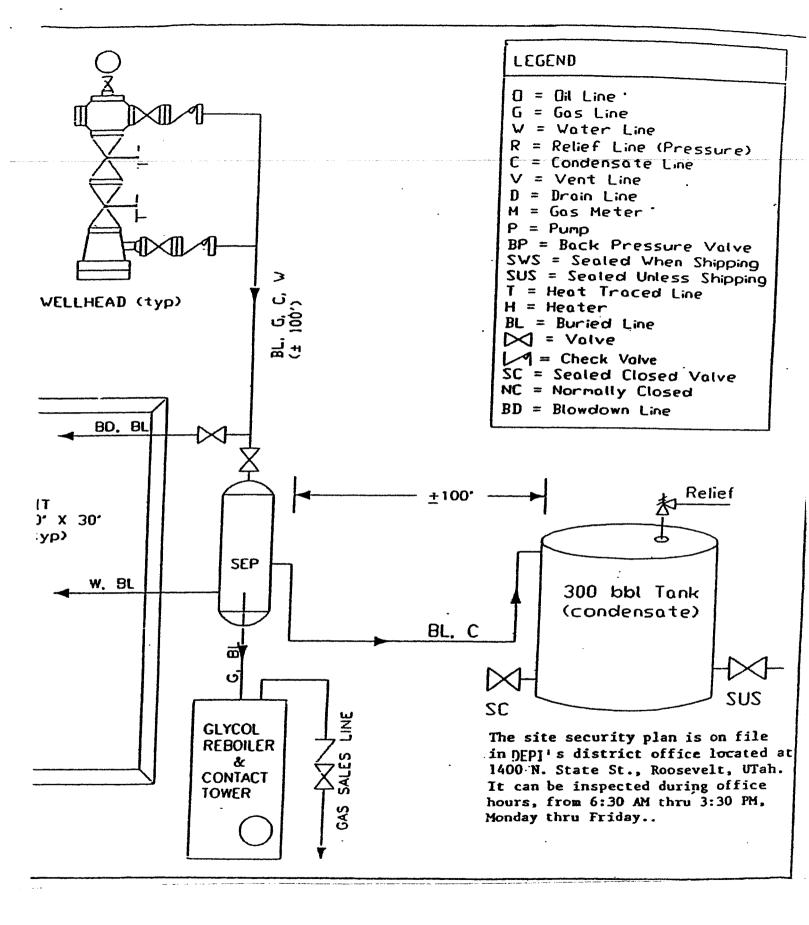




XTO ENERGY, INC. LCU #16-36F SECTION 36, T10S, R20E, S.L.B.&M.

PROCEED IN A SOUTHERLY THEN SOUTHEASTERLY DIRECTION FROM OURAY, UTAH APPROXIMATELY 9.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 6.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 300' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 130' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM OURAY, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 15.3 MILES.



XTO ENERGY INC.

LCU 16-36F **APD Data** November 6, 2007

Location: 815' FSL & 471' FEL, Sec. 36, T10S, R20E

County: Uintah

State: Utah

GREATEST PROJECTED TD: 9060' MD

OBJECTIVE: Wasatch/Mesaverde

APPROX GR ELEV: 5370'

Est KB ELEV: 5384' (14' AGL)

1. MUD PROGRAM:

| INTERVAL | 0' to 2200' | 2200' to 9060' |
|------------|-------------|-------------------------------|
| HOLE SIZE | 12.25" | 7.875" |
| MUD TYPE | FW/Spud Mud | KCl Based LSND / Gel Chemical |
| WEIGHT | 8.4 | 8.6-9.20 |
| VISCOSITY | NC | 30-60 |
| WATER LOSS | NC | 8-15 |

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes. The mud system will be monitored visually/manually.

CASING PROGRAM:

Surface Casing:

9.625" casing set at \pm 2200' in a 12.25" hole filled with 8.4 ppg mud

| | | | | 9 . | | | | | <u> </u> | | | |
|----------|--------|-----|------|------|--------|--------|---------|-------|----------|------|-------|------|
| | | | | | Coll | Burst | | | | | | |
| | | | | | Rating | Rating | Jt Str | ID | Drift | SF | SF | SF |
| Interval | Length | Wt | Gr | Cplg | (psi) | (psi) | (M-lbs) | (in) | (in) | Coll | Burst | Ten |
| 0'-2200' | 2200' | 36# | J-55 | ST&C | 2020 | 3.66 | 394 | 8.921 | 8.765 | 2.10 | 3.66 | 4.97 |

Production Casing:

5.5" casing set at ± 9060 ' in a 7.875" hole filled with 9.2 ppg mud.

| | | | | | Coll | Burst | | | | | | |
|----------|--------|-----|------|------|--------|--------|---------|-------|-------|------|-------|------|
| | | | | | Rating | Rating | Jt Str | ID | Drift | SF | SF | SF |
| Interval | Length | Wt | Gr | Cplg | (psi) | (psi) | (M-lbs) | (in) | (in) | Coll | Burst | Ten |
| 0'-9060' | 9060' | 17# | N-80 | LT&C | 6280 | 7740 | 348 | 4.892 | 4.767 | 1.83 | 2.26 | 2.26 |

Collapse and burst loads calculated at TVD with 0.1 psi/ft gas gradient back up.

3. **WELLHEAD:**

- A. Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom (or slip-on, weld-on) and 11-3/4" 8rnd thread on top.
- B. Tubing Head: Larkin Fig 612 (or equivalent), 6.456" nominal, 5,000 psig WP, 5-1/2" 8rnd female thread on bottom (or slip-on, weld-on), 8-5/8" 8rnd thread on top.

4. CEMENT PROGRAM:

A. Surface:

9.625", 36#, J-55, ST&C casing to be set at ±2200' in 12.25" hole.

LEAD:

±362 sx of Type V cement (or equivalent) typically containing accelerator and LCM.

TAIL:

225 sx of Type V cement (or equivalent) typically containing accelerator and LCM.

Total estimated slurry volume for the 9.625" surface casing is 956.5 ft³. Slurry includes 35% excess of calculated open hole annular volume to 2200'.

B. Production:

5.5", 17#, N-80 (or equiv.), LT&C casing to be set at ±9060' in 7.875" hole.

LEAD:

±461 sx of Premium Plus V Blend. (Type V/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 11.6 ppg, 3.12 ft³/sk, 17.71 gal wtr/sx.

TAIL:

300 sx Class G or equivalent cement with poz, bonding additive, LCM, dispersant, & fluid loss mixed at 13.0 ppg, 1.75 cuft/sx, 9.09 gal/sx.

Total estimated slurry volume for the 5.5" production casing is 1965 ft³. Slurry includes 15% excess of calculated open hole annular volume.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 15% or greater excess. The cement is designed to circulate on surface and intermediate casing strings.

5. LOGGING PROGRAM:

- A. Mud Logger: The mud logger will come on at intermediate casing point and will remain on the hole until TD. The mud will be logged in 10' intervals.
- B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (9060') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (9060') to 2200'.

6. FORMATION TOPS:

| FORMATION | Sub-Sea Elev. (@SHL) | TVD (@SHL) |
|----------------|-------------------------|---------------|
| Wasatch Tongue | 1,670 | 3,719 |
| Green River | | |
| Tongue | 1,340 | 4,049 |
| Wasatch* | 1,210 | 4,179 |
| Chapita Wells* | 475 | 4,914 |
| Uteland Buttes | -695 | 6,084 |
| Mesaverde* | -1,465 | 6,854 |
| Castlegate | N/A | N/A |
| TD** | -3781 | 9090 |

^{*} Primary Objective

7. ANTICIPATED OIL, GAS, & WATER ZONES:

A.

| Formation | Expected Fluids | Well Depth Top |
|--------------------|------------------------|----------------|
| Wasatch Tongue | Oil/Gas/Water | 3,719 |
| Green River Tongue | Oil/Gas/Water | 4,049 |
| Wasatch* | Gas/Water | 4,179 |
| Chapita Wells* | Gas/Water | 4,914 |
| Uteland Buttes | Gas/Water | 6,084 |
| Mesaverde* | Gas/Water | 6,854 |
| Castlegate | Gas/Water | N/A |

- A. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.
- B. There are no known potential sources of H₂S.
- C. Expected bottom hole pressures are between 4100 psi and 4600 psi.

8. **BOP EQUIPMENT**:

Surface will not utilize a bop stack.

Intermediate hole will be drilled using a diverter stack with rotating head rated at 250 psi w.p.

Production hole will be drilled with a 3000 psi BOP stack.

Minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double ram with annular, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed:
- b. whenever any seal subject to test pressure is broken
- c. following related repairs: and
- d. at 30 day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) shall be held open or the ball removed.

SURFACE USE PLAN

CONDITIONS OF APPROVAL

Name of Operator:

XTO Energy, Inc.

Address:

P.O. Box 1360; 978 North Crescent

Roosevelt, Utah 84066

Well Location:

LCU 16-36F

815' FSL & 471' FEL, SE/4 SE/4.

Section 36, T10S, R20E, SLB&M, Uintah County, Utah

A Uintah County Road encroachment is necessary to construct the new access from the existing Uintah County Road 2810 (Seep Ridge Road).

The surface owner or surface owner representative and dirt contractor will be provided with an approved copy of the surface use plan of operations and approved conditions of approval before initiating construction.

The onsite inspection for the referenced well is pending at this time.

1. <u>Location of Existing Roads:</u>

- a. The proposed well site is located approximately 13.64 miles southeast of Ouray, UT.
- b. Directions to the proposed well site have been attached at the end of Exhibit B.
- c. The use of roads under State and County Road Department maintenance are necessary to access the Little Canyon Unit area. A Uintah County Road encroachment is necessary to construct the new access from the existing Uintah County Road 2810 (Seep Ridge Road).
- d. All existing roads will be maintained and kept in good repair during all phases of operation.
- e. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- f. Since no improvements are anticipated to the State, County, Tribal or BLM access roads no topsoil striping will occur.
- g. An off-lease federal Right-of-Way is not anticipated for the access road since access presently exists to the lease boundary servicing the LCU 16-36F.

2. New or Reconstructed Access Roads:

- a. From the existing Uintah County Road 2810 (Seep Ridge Road) an access is proposed trending southwest approximately 130' to the proposed well site. The access consists of entirely new disturbance and crosses no significant drainages. A road design plan is not anticipated at this time.
- b. The proposed access road will consist of a 24' travel surface within a 30' disturbed area.
- SITLA approval to construct and utilize the proposed access road is requested with this
 application.

- d. A maximum grade of 10% will be maintained throughout the project with no cuts and fills required to access the well.
- e. No turnouts are proposed since the access road is only 130' long and adequate site distance exists in all directions.
- f. No low-water crossings are necessary, One culvert is anticipated as the proposed access road leaves the county road surface. Adequate drainage structures will be incorporated into the road.
- g. No surfacing material will come from federal or Indian lands.
- h. No gates or cattle guards are anticipated at this time.
- i. Surface disturbance and vehicular travel will be limited to the approved location access road.
- j. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service publication: <u>Surface Operating Standards for Oil</u> and <u>Gas Exploration and Development</u>, (1989).
- The operator will be responsible for all maintenance of the access road including drainage structures.

3. Location of Existing Wells:

a. Exhibit B has a map reflecting these wells within a one mile radius of the proposed well.

4. <u>Location of Existing and/or Proposed Production Facilities:</u>

- a. All permanent structures will be painted a flat, non-reflective Desert Brown /Carlsbad Canyon to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- b. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- c. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162. 7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.
- d. A tank battery will be constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- f. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- g. The site will require periodic maintenance to ensure that drainages are kept open and free of

debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.

- h. A pipeline corridor containing a single steel gas pipeline and a single steel or poly pipe water pipeline is associated with this application and is being applied for at this time. The proposed pipeline corridor will leave the north side of the well site and traverse 65' east to the existing LCU 8-36F pipeline corridor
- i. The gas pipeline will be a 12" or less buried line and the water pipeline will be a 12" or less buried line within a 75' wide disturbed pipeline corridor. The use of the proposed well site and access roads will facilitate the staging of the pipeline corridor construction. A new buried pipeline corridor length of approximately 65' is associated with this well.
- j. An existing pipeline corridor upgrade is proposed from the existing LCU 8-36F tie-in location to the LCU compressor facility along the existing pipeline route.
- k. The gas pipeline will be a 12" or less buried line and the water pipeline will be a 12" or less buried line within a single trench and within a 75' wide disturbed pipeline corridor. The use of the existing well site and access roads will facilitate the staging of the pipeline corridor upgrade. An upgrade to a 75' wide buried pipeline corridor of approximately 600' is associated with this application.
- 1. The proposed pipeline and pipeline upgrade are contained within SITLA surface.
- m. XTO Energy, Inc. intends to bury the pipeline where possible and connect the pipeline together utilizing conventional welding technology.

5. <u>Location and Type of Water Supply:</u>

- a. No water supply pipelines will be laid for this well.
- b. No water well will be drilled for this well.
- c. Drilling water for this will be hauled on the road(s) shown in Attachment No. 3.
- d. Water will be hauled from one of the following sources:
 - Water Permit # 43-10447, Section 33, T8S, R20E;
 - Water Permit #43-2189, Section 33, T8S, R20E;
 - o Water Permit #49-2158, Section 33, T8S, R20E;
 - Water Permit #49-2262, Section 33, T8S, R20E;
 - o Water Permit #49-1645, Section 5, T9S, R22E;
 - Water Permit #43-9077, Section 32, T6S, R20E;
 - o Tribal Resolution 06-183, Section 22, T10S, R20E;

6. Source of Construction Material:

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from Ute Tribal or BLM lands.
- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. Methods of Handling Waste:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site.
- c. The reserve pit will be located outboard of the location and along the west side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- e. The reserve pit will be lined with 16 mil minimum thickness plastic nylon reinforced liner material. The liner will overlay a felt liner pad only if rock is encountered during excavation. The pit liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completion of the well.
- h. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Uintah County Landfill near Vernal, Utah.
- Produced fluids from the well other than water will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.
- j. After initial clean-up, a 400 bbl tank will be installed to contain produced waste water. This water will be transported from the tank to an approved XTO Energy, Inc. disposal well for disposal.
- k. Produced water from the production well will be disposed of at the RBU 13-11F or RBU 16-19F disposal wells in accordance with Onshore Order #7.
- Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- m. Sanitary facilities will be on site at all times during operations. Sewage will be placed in a portable chemical toilet and the toilet replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

8. Ancillary Facilities:

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.
- b. No camps, airstrips or staging areas are proposed with this application.

9. Well Site Layout: (See Exhibit B)

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the east.
- c. The pad and road designs are consistent with SITLA specification
- d. A pre-construction meeting with responsible company representative, contractors, and the SITLA will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size; however it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities, will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- h. Diversion ditches will be constructed as shown around the well site to prevent surface waters from entering the well site area.
- i. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.
- j. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- k. Pits will remain fenced until site cleanup.
- 1. The blooie line will be located at least 100 feet from the well head.
- m. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

10. Plans for Restoration of the Surface (Interim Reclamation and Final Reclamation):

- a. Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.
- b. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. Once the reserve pit is dry, the plastic nylon reinforced liner shall be torn and perforated

before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours.

- c. Following BLM published Best Management Practices the interim reclamation will be completed within 90 days of completion of the well to reestablish vegetation, reduce dust and erosion and compliment the visual resources of the area.
 - a. All equipment and debris will be removed from the area proposed for interim reclamation and the pit area will be backfilled and re-contoured.
 - b. The area outside of the rig anchors and other disturbed areas not needed for the operation of the well will be re-contoured to blend with the surrounding area and reseeded at 12 lbs /acre with the following native grass seeds:

Crested Wheat Grass
 Needle and Thread Grass
 Rice Grass
 (6 lbs / acre)
 (3 lbs / acre)
 (3 lbs / acre)

- c. Reclaimed areas receiving incidental disturbance during the life of the producing well will be re-contoured and reseeded as soon as practical.
- d. The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the SITLA or the appropriate County Extension Office. On SITLA administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- e. Prior to final abandonment of the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the SITLA. The SITLA recommended seed mix will be detailed within their approval documents.

11. Surface and Mineral Ownership:

- a. Surface Ownership State of Utah under the management of the SITLA -State Office, 675 East 500 South, Suite 500, Salt Lake, City, Utah 84102-2818; 801-538-5100.
- b. Mineral Ownership State of Utah under the management of the SITLA -State Office, 675 East 500 South, Suite 500, Salt Lake, City, Utah 84102-2818; 801-538-5100.

12. Other Information:

a. Operators Contact Information:

| <u>Title</u> | Name | Office Phone | Mobile Phone | e-mail . |
|--------------|--------------|--------------|-----------------|---------------------------|
| | | | | |
| Company Rep. | Ken Secrest | 435-722-4521 | 435-828-1450 K | Ken_Secrest@xtoenergy.com |
| Agent | Don Hamilton | 435-719-2018 | 435-719-2018 st | tarpoint@etv.net |

- b. AIA Archaeological has conducted a Class III archeological survey. A copy of the report is attached and has also been submitted under separate cover to the appropriate agencies by AIA Archaeological.
- c. Alden Hamblin has conducted a paleontological survey. A copy of the report is attached and has also been submitted under separate cover to the appropriate agencies by Alden Hamblin.

Certification:

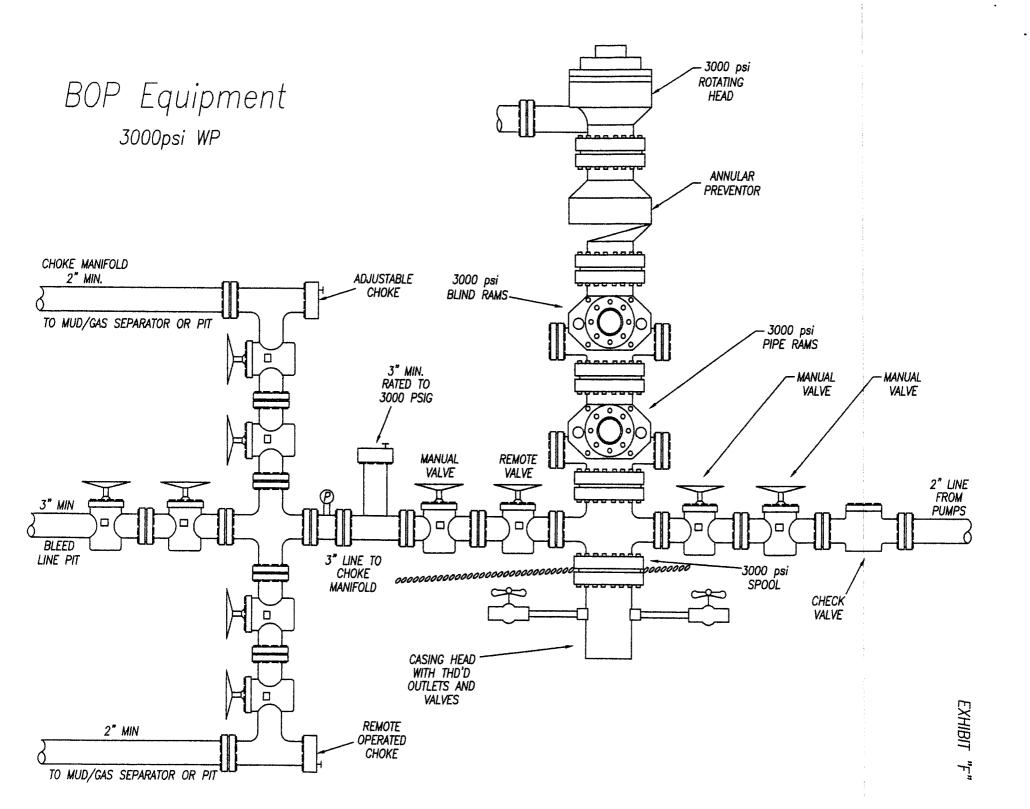
I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exists; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application and that bond coverage is provided under XTO Energy, Inc's SITLA bond 104312-762. These statements are subject to the provisions of 18 U.S.C. 1001 for the fling of false statements.

Executed this 7th day of November, 2007.

Don Hamilton -- Agent for XTO Energy, Inc.

2580 Creekview Road Moab, Utah 84532

435-719-2018 starpoint@etv.net



XTO Energy Corporation; Little Canyon Unit #16-36F: A Cultural Resource Inventory for a well its access and pipeline, Uintah County, Utah.

By James A. Truesdale

James A. Truesdale Principal Investigator

Prepared For XTO Energy Corporation 1400 North State Street P.O.Box 1360 Roosevelt, Utah 84066

Prepared By
AN INDEPENDENT ARCHAEOLOGIST
P.O.Box 153
Laramie, Wyoming
82073

Utah Project # U-07-AY-1204(s)

October 10, 2007

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Introduction

An Independent Archaeologist (AIA) was contacted by a representative of XTO Energy Corporation to conduct a cultural resources investigation of the proposed Little Canyon Unit (LCU) #16-36F well, its access and pipeline. The location of the project area is the SE/SE 1/4 of Section 36, T10S, R20E Uintah County, Utah (Figure 1).

The proposed LCU #16-36F well's centerstake footage (Alternate #1) is 815' FSL, 471' FEL. The proposed LCU #16-36F well's centerstake Universal Transverse Mercator (UTM) coordinate is Zone 12, North American Datum (NAD) 83, 06/19/233.17mE 44/17/273.86mN.

The proposed access and pipeline is the existing Seep Ridge road and a pipeline that is adjacent immediately east of the proposed well pad.

The surface and minerals of Section 36 T10S R20E is administered by the Utah School Institutional Trust Land Administration (SITLA). A total of 10 acres (10 block, 0 linear) was surveyed. The fieldwork was conducted on October 4, 2007 by AIA owner and principal investigator James Truesdale and AIA staff Dr. David V. Hill. All the field notes and maps are located in the AIA office in Laramie, Wyoming.

File Search

A file search was conducted by the Office of the Utah Division of State History (UDSH), Antiquities Section, Records Division on May 24 and again on October 2, 2007. An additional file search was conducted at the Vernal BLM office in March of An update of AIA's USGS 2006 by the author. 7.5'/1968 (photorevised 1987) Big Pack Mountain NW quadrangle map from the UDSH's Big Pack Mountain NW quadrangle base map occurred on November 8, 2003 and again on February 3, 2004. The UDSH SHPO GIS file search reported that fourteen previous projects (U-97-AY-810, U-98-AY-283, U-01-AY-319, U-04-AY-079, U-05-AY-290, U-05-AY-332, U-05-AY-1074, U-06-AY-129, U-06-AY-130, U-06-AY-131, U-06-AY-132, U-06-AY-133, U-06-AY-424 and U-06-AY-426) have been conducted in the general area (Section 36 of T10S R20E). In addition, the Utah SHPO GIS files search indicated that one site (42UN5227) had been previously recorded in Section 36 of T10S R20E.

Site 42UN5227 is located in the SW/SE ¼ of Section 36 of T10S R20E. Thus the site is located 1/4 mile to the west of the present project area. The site will not be impacted by subsequent construction of the proposed LCU #16-36F well, its access or pipeline.

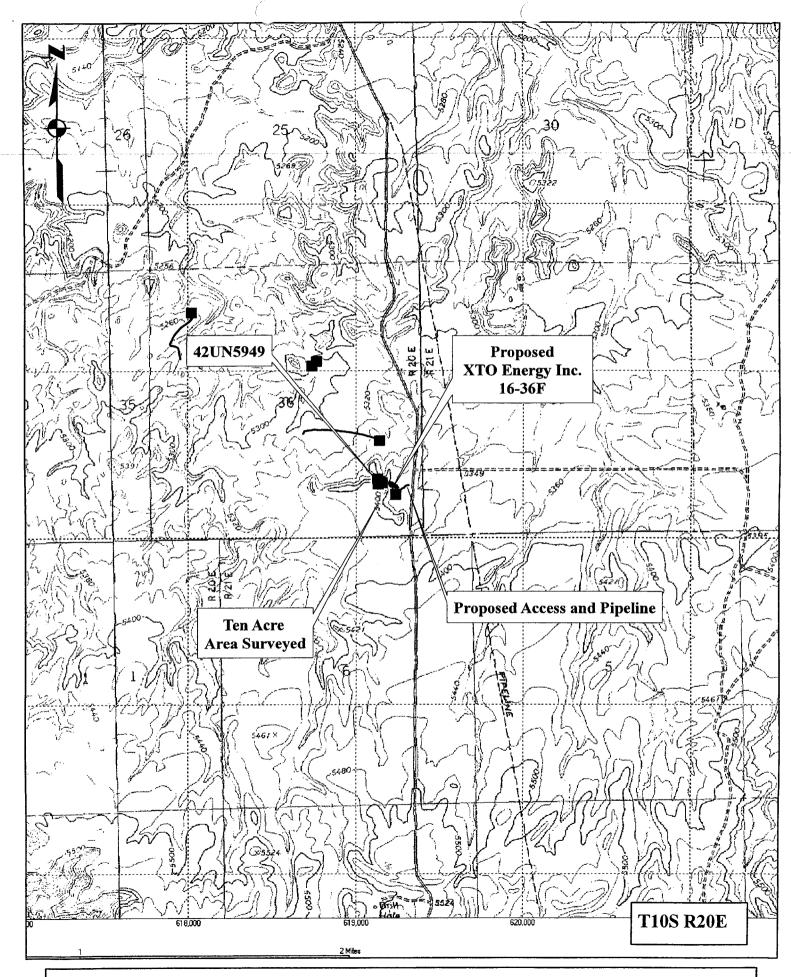


Figure 1. Location of the proposed XTO Energy Inc. 16-36F well, access and pipeline on 1968 7.5' USGS Quadrangle Map Big Pack Mountain NE, Uintah County, Utah.

Environment

Physiographically, the project is located in the Little Canyon Unit in the Uinta Basin, 14 miles south of Ouray, Utah. The Uinta Basin is structurally the lowest part of the Colorado Plateau geographical province (Thornbury 1965:425). The Uinta basin is a large, relatively flat, bowl shaped, east-west asymmetrical syncline near the base of the Uinta Mountains. The topography is characteristic of sloping surfaces that incline northward and are mainly dip slopes on the harder layers of Green River and Uinta Formations (Stokes 1986).

A thick section of more than 9000 feet (2743.9 m) of early Tertiary rocks are exposed (Childs 1950). These rocks are mainly Paleocene and Eocene in age and consist of sandstone, clay and shale lacustrine, fluviatile, and deltaic continental deposits, most famous of which are the lacustrine Green River Beds.

The immediate project area is situated on in the Willow Creek Canyon. The area is characterized as having steep ridges and/or buttes of relatively thick Uinta Formation sandstone, with thinner layers of clays and shale. The hills, ridges and buttes are dissected by several steep sided ephemeral drainage washes with wide flat alluvial plains. Portions of the desert hardpan and bedrock are covered with various sizes of residual angular to tabular pieces of eroding sandstone, clay and shale. Many of the higher hills and ridges exhibit ancient terrace (pediment) surfaces containing pebble and cobble gravel. Some of these pebbles and cobbles exhibit a dark brown to black desert varnish (patination). In addition, many of the hills and ridge slopes are covered with aeolian sand that may reach a depth of 100 to 150 cm.

Vegetation in the Little Canyon Unit area is characteristic of a low sagebrush community with shad scale and greasewood. Species observed in the project area include; big sagebrush (Atriplex confertifolia), tridentata), shadscale (Artemesia rabbitbrush (Chrysothamnus nuttallii), (Atriplex viscidiflorus), winterfat (Eurotia lanata), greasewood (Sarcobatus baileyi), wild buckwheat, Erigonum ovvalifolium), desert trumpet Indian rice grass (Oryzopsis hymenoides), (Erigonum inflatum), (Agropyron smithii), spiked wheatgrass western wheatgrass (Agropyron sp.), crested wheatgrass (Agropyron cristatum), June grass (Koeleria cristata), cheat grass (Bromus tectorum), desert globemallow (Bromus tectorum), lupine (Lupinus sp.), larkspur Indian paintbrush (Castilleja chromosa), sp.), (Delphinium peppergrass (Lepidium perfoliatum), scalloped phacelia (Phacelia birdscage evening primrose (Oenothera intergrifolian), Russian thistle (Salsola kali), Russian knapweed deltoides), (Centaurea repens), and prickly pear cactus (Opuntia sp.). addition, a riparian community dominated by tall greasewood, cottonwood (Populas sp.), willow (Salix sp.), and salt cedar (tamerix) can be found along the Willow Creek Canyon bottom

Little Canyon Unit (LCU) #16-36F

The proposed LCU #16-36F well pad is situated at a small box like area at the base of the talus slope of a small upland hill and south to north trending ridge (Figures 2 and 3). The small hill and ridge is adjacent immediately west of the proposed well The hill and ridge is part of an upland bench system of hills, ridges, benches and drainages that drain west to Willow Creek. A small southeast to northwest trending ephemeral drainage wash can be found to the south of the ridge. The sediments on the well location are colluvial in nature. These colluvial deposits consist of shallow (\leq 5 cm), tan to light brown, poorly sorted, moderately compacted, sandy clay loam, mixed with angular pieces of sandstone, clay and shale on the ridge tops and flat areas (Figure 3). Exposed and eroding tan to light brown sandstone and shale bedrock dominates the well pad landscape. Vegetation consists of low sagebrush, saltbush, rabbitbrush, greasewood, bunchgrasses (wheatgrass, cheat grass, Indian rice-grass), barrel and prickly pear cactus. The proposed well location is 5360 feet (1634.14 m) AMSL.

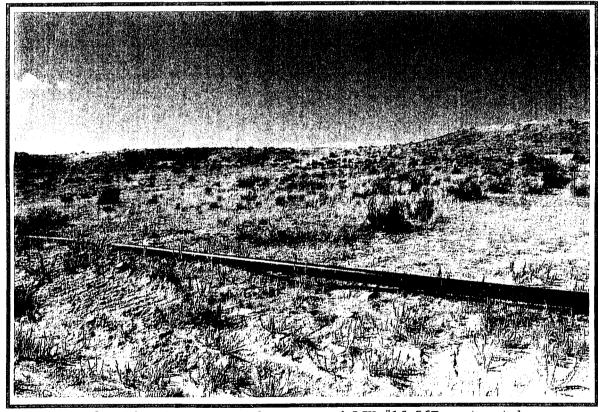


Figure 2. View to west at the proposed LCU #16-36F centerstake and well pad area.

From the existing Seep Ridge road and surface pipeline, the proposed access and pipeline parallel each other and trend 200 feet (60.9 m) southwest to the proposed LCU #16-36F well. The

access and pipeline cross a small open sagebrush flat to the proposed pipeline. Sediments along the pipeline consist of a shallow (5 to 10 cm), poorly sorted, loosely compacted, colluvial sandy clay loam. These colluvial deposits overlie sandstone, clay and shale bedrock. Vegetation along the access and pipeline is sparse and consists of low sagebrush, greasewood, rabbitbrush, saltbush, Russian thistle, bunchgrasses (wheatgrass, cheat grass, Indian rice-grass), and prickly pear cactus.

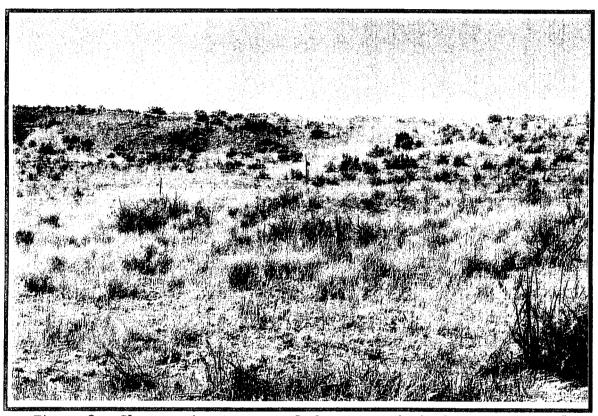


Figure 3. Closer view to west of the proposed Little Canyon Unit #16-36F well pad and the colluvial deposits on and surrounding the proposed LCU #16-36F well pad area.

Field Methods

A total of 10 acres was surveyed around the centerstake of the proposed LCU #16-36F well location to allow for relocation of the pad if necessary. The survey was accomplished by walking transects spaced no more than 15 meters apart. The proposed access and pipeline is the existing Seep Ridge road and surface pipeline that is located adjacent immediately east of the proposed well pad. Therefore, the proposed access and pipeline corridors are located within the 10 acre area surveyed around the proposed well centerstake. Thus, 0 linear acres was surveyed.

Geologic landforms (rockshelters, alcoves, ridge tops and saddles) and areas of subsurface exposure (ant hills, blowouts,

rodent holes and burrow, eroding slopes and cutbanks) were examined with special care in order to locate cultural resources (sites, isolates) and possibly help assess a site's sedimentary integrity and potential for the presence and/or absence of buried intact cultural deposits. All exposures of sandstone cliff faces, alcoves or rockshelters, and talus slopes were surveyed.

When cultural materials are discovered, a more thorough survey of the immediate vicinity is conducted in order to locate any associated artifacts and to determine the horizontal extent (surface area) of the site. If no other artifacts are located during the search then the initial artifact was recorded as an isolated find. At times, isolated formal tools (typical end scrapers, projectile points) were drawn and measured. The isolate was then described and its location plotted on a U.S.G.S. topographic map and UTM coordinates are recorded.

When sites are found an Intermountain Antiquities Computer System (IMACS) form was used to record the site. At all sites, selected topographic features, site boundaries, stone tools and cultural features (hearths, foundations, trash dumps and trails) Sites were mapped with a Brunton compass, Trimble are mapped. Geophysical 3 and/or Garmin E-Trex GPS units, and pacing off distances from a mapping station (datum, PVC with aluminum tag). All debitage is inventoried using standard recording techniques (Truesdale et al 1995:7) according to material type, basic flake type, and \overline{so} \overline{on} . Selected (mostly complete) stone tools and projectile points are drawn and measured. All features (rockart panel(s), hearths, foundations, trash dumps and trails) are measured and described, while selected features are either drawn or photographed.

Site location data is recorded by a Trimble GeoExplorer 3 Global Positioning System (GPS) and Garmin GPS III Plus and/or a E-Trex GPS. Site elevation and Universal Transverse Mercator (UTM) grid data, its Estimated Position Error (EPE) and Dilution of Precision (DOP) were recorded. Using the GPS data, the site location was then placed on a USGS 7.5' quadrangle map.

Results

A total of 10 (10 block, 0 linear) acres were surveyed for cultural resources by AIA within and around the proposed XTO Energy Corporation Little Canyon Unit (LCU) #16-36F well, and along its access and pipeline. One site (42UN5949) was recorded. The site is a historic/modern temporary ranching camp associated with a trash scatter. The site is considered to be non-significant and ineligible for nomination and inclusion to the National Register of Historic Places. No additional cultural resources (sites, isolates) were recorded on or around the proposed LCU #16-36F or along its access and pipeline.

A moderate scatter of modern trash (plastic bottles, sanitary

food cans, miscellaneous metal, wire, green, brown and clear glass bottles and bottle fragments, foam insulation, etc.) can be found on and surrounding the existing well pads and along the existing oil and gas field service roads in the Little Canyon Unit area.

Site: 42UN5949

Location: NE/NW/SE 4 Section 36, T10S R20E (Figure 1)

UTM Coordinate: Zone 12, NAD 83, 06/19/131mE 44/17/352mN +5m

06/19/200mE 44/17/333mN 06/19/233mE 44/17/313mN 06/19/215mE 44/17/273mN

06/19/134mE 44/17/322mN

Setting: Site 42UN5949 is situated on the top of a knoll and along the knolls eastern talus slope and a small open sagebrush area to the east. Vegetation is sparse and is characteristic of a sagebrush/short grass community. Vegetation consists of sagebrush, saltbush, greasewood, bunchgrasses (wheatgrass, Indian rice-grass), buckwheat, cheat grass, Russian thistle and prickly pear cactus. Sediments are shallow (<5 to 10 cm) and consist of poorly sorted, loosely compacted, sandy clay loam mixed with small to angular pieces of sandstone with smaller pieces of clay and shale. A small relatively thick layer of sandstone is exposed along the eastern side of the knoll. The elevation ranges between 5400 and 5360 feet (1646.34-1634.14 m) AMSL.

Description: Site 42UN5949 is a historic/modern temporary campsite associated with a moderate scatter of cans. The site measures 100 m (E-W) by 90 m (N-S), 9000 sq m. The site contains a fire pit, a stone bench, a wood (sagebrush) scatter, a wood board scatter and a scatter of clear, brown, and purple glass, over two hundred (n=200+) sanitary food cans, over fifty (n=50+) solder dot cans, over fifty (n=50+) tobacco cans, six (n=6) coffee cans, two (n=2) $\frac{1}{2}$ gallon lard buckets, two cartridge shells and miscellaneous wire.

The fire pit, stone bench are situated on the top of a small hill (knoll) along the western portion of the site. The fire pit measures 123 cm (N-S) by 143 cm (E-W). The fire pit consists of over twenty pieces of fire reddened sandstone blocks. The fire pit contains no charcoal or charcoal stained sediments. The stone bench consists of four large angular sandstone blocks and a wood board that is positioned along the northern edge of the hill (knoll).

Glass bottle on the site consist of clear, brown and purple glass fragment. The clear glass bottle are represented by a clear glass round bottle base that exhibits a Owens Illinois Glass Co., Toledo, Ohio bottle makers mark that dates post 1968 (Toulouse 1971:403). This clear bottle is an olive bottle. A second clear round bottle base exhibits a GC makers mark that represents the Glass Containers Corp., Fullerton, Ca. and dates to post 1954 (Toulouse 1971:220). A third clear oval bottle base represents a

(Toulouse 1971:220). A third clear oval bottle base represents a KARO syrup bottle that exhibits a Owens Illinois Glass Co, Toledo, Ohio that dates to 1966 (Toulouse 1971:403).

The purple glass is represented by 10 unidentifiable bottle fragments.

Over two hundred (n=200+) sanitary food cans were inventoried at 42UN5949. In 1898 the AMs "solderless" cans were tested by the Cobb Preserving Co. The canned Bartlet pears and were quite successful with the results. The "solderless can" has also been called the "open top can", but is best known as the "sanitary can". The sanitary can production dominated can production in the West by 1911, however, did not take off until thirty years before they gained complete control of the market (Rock 1987:22). The cans at 42UN5949 date between circa 1950 and 1970's.

Over fifty (n=50+) solder dot cans were inventoried at 42UN5949. The solder dot can, "vent hole" or matchstick filler hole" can were introduced around the turn of the century. These cans are exclusively made for evaporated milk. The evaporated milk industry was by far the most frequent user of this type of can (Rock 1987:21).

Two cartridges were inventoried at the site. cartridge exhibits a W.R.A. Co. 303. Sav. Head stamp which represents Winchester Repeating Arms Company and a .303 Savage caliber. The .303 Savage caliber was originally developed as a potential military cartridge in 1895, however its was later introduced commercially as one of several calibers for the popular Savage Model 1899 (Barnes 1965:44). Savage discontinued the cartridge when production was resumed after World War II. England it is known as the .301 Savage. No rifles are chambered for this round at the present time. The second cartridge exhibits a W.R.A. Co. W.C.F. .25-35 head stamp. The head stamp represents the Winchester Repeating Arms Co. Winchester Centerfire .25-35 caliber cartridge and dates between 1895 and 1945 (Berge 1980:230). The Winchester .25-35 was developed by Winchester and introduced in 1895 for the Model 94 lever action rifle (Barnes 1965:21). Along with the .30-30, it was one of the first small bore, smokeless powder, sporting cartridges developed in te united Winchester, Marlin and Savage all chambered repeating lever action rifles for this cartridge. Quite a few single shot rifles also chambered the .25-35 and in Europe it was used in combination type arms. The European designation is the 6.5x52Rmm (Barnes 1965:21). No American rifles have been made for the .25-35 since the end of World War II.

Sediments are shallow (<5 to 10 cm) and consist of tan to light brown, poorly sorted, loosely compacted sandy clay loam mixed with angular pieces of sandstone, clay and shale. The possibility of buried and intact cultural material at the site is low. The site also contain several modern brown beer bottles

(Budweiser, Killians), and soda pop and beer cans. The site is subjected to erosion, deflation and possible vandalism (collection). The site is considered to be in poor condition and in the latter stages of deflation.

National Register Status: Site 42UN5949 is a historic/modern temporary campsite associated with a moderate scatter of cans. The site appears to represent a temporary ranching camp that dates between 1954 and the 1970's.

Sediments are shallow (<5 to 10 cm) and consist of tan to light brown, poorly sorted, loosely compacted sandy clay loam mixed with angular pieces of sandstone, clay and shale. The possibility of buried and intact cultural material at the site is low. The site is subjected to erosion, deflation and possible vandalism (collection). The site is considered to be in poor condition and in the latter stages of deflation.

The site is not associated with any event(s) that has made a significant contribution to the broad pattern(s) of our history, not is it associated with the life or persons significant in our past; nor does it contain any features with distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that posses high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction. In addition, the site can not yield, or may likely yield any additional information important in prehistory or history. Thus 42UN5949 is considered to be not eligible for nomination and/or inclusion to the National Register of Historic Places (NRHP).

Recommendations

A total of 10 (10 block, 0 linear) acres were surveyed for cultural resources by AIA within and around the proposed XTO Energy Corporation Little Canyon Unit #16-36F well, and along its access and pipeline. One site (42UN5949) was recorded. The site is a historic/modern temporary ranching camp associated with a trash scatter. The site is considered to be non-significant and ineligible for nomination and inclusion to the National Register of Historic Places. No additional cultural resources (sites, isolates) were recorded on or around the proposed LCU #16-36F or along its access and pipeline.

A moderate scatter of modern trash (plastic bottles, sanitary food cans, miscellaneous metal, wire, green, brown and clear glass bottles and bottle fragments, foam insulation, etc.) can be found on and surrounding the existing well pads and along the existing oil and gas field service roads in the Little Canyon Unit area.

The site will be impacted by construction of the LCU #16-36F well, its access and pipeline. However, the site does not contain any attributes that make it significant or eligible to the NRHP.

Sediments on and surrounding the proposed well pad, and along its access and pipeline are shallow. Therefore, the possibility of buried and/or intact cultural materials on the proposed well pad or along its access and pipeline is low. Therefore, no additional archaeological work is necessary and clearance is recommended for the construction of the Little Canyon Unit #16-36F well pad, its access, and pipeline.

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 County, Utah. Report prepared for U & W Construction, Ft.
 Duchesne, Utah by AIA, Laramie, Wyoming.

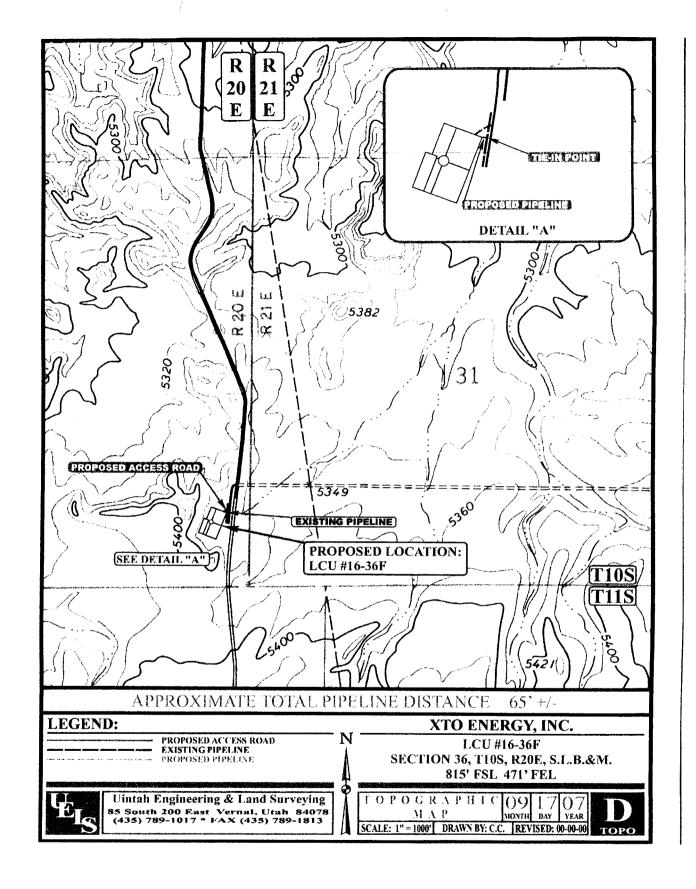
PALEONTOLOGY EVALUATION SHEET

| PROJECT: XTO Energy, Inc. – LCU #16-36F |
|--|
| LOCATION: 15 miles south of Ouray, Uintah County, Utah. Section 36, 815' FSL 471' FEL, T10S, R20E, S.L.B.&M. |
| OWNERSHIP: PRIV[] STATE[X] BLM[] USFS[] NPS[] IND[] MIL[] OTHER[] |
| DATE: October 2, 2007 |
| GEOLOGY/TOPOGRAPHY: Rock outcrops in this area are the lower part of Uinta Formation, Eocene age. There is a short access road and pipeline to the well location which sits just west of the Seep Ridge Road on an east slope east of a round top hill. Area is of moderate to low relief. There are rock exposures next to the southeast corner and the pit will go into the hill with Uinta Formation. Surface is mostly slope wash and other alluvium. |
| PALEONTOLOGY SURVEY: YES [X] NO Survey [] PARTIAL Survey [] Pedestrian Survey of Uinta Formation rock exposures at the well pad/pit and along the access road and pipeline. |
| SURVEY RESULTS: Invertebrate [] Plant [] Vertebrate [] Trace [] No Fossils Found [X] |
| PALEONTOLOGY SENSITIVITY: HIGH [] MEDIUM [x] LOW [x] (PROJECT SPECIFIC) |
| MITGATION RECOMMENDATIONS: NONE [X] OTHER [] (SEE BELOW) |
| There is always some potential for discovery of significant paleontological resources in the Uinta Formation. If significant vertebrate fossils (mammals, crocodiles, complete turtle shells, etc.) are encountered during construction, work should stop in that area and a paleontologist should be |

PALEONTOLOGIST: Alden H. Hamblin

contacted to evaluate the material discovered.

A.H. Hamblin Paleontological Consulting, 3793 N. Minersville Highway, Cedar City, Utah 84720 (435) 867-8355 Utah State Paleontological Permit # 07-355, BLM paleontological Resources Permit # UT-S-05-02, Utah Professional Geologist License – 5223011-2250.



STATE O

| STATE OF UTAH DÉPARTMENT OF NATURAL RESOURCES | | FORM 9 | | | | |
|--|--|--|--|--|--|--|
| DIVISION OF OIL, GAS AND MINING | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47391 | | | | | |
| SUNDRY NOTICES AND REPORTS OF | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A 7. UNIT OF CA AGREEMENT NAME: | | | | | |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current both drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for some content of the | Little Canyon Unit 8. WELL NAME and NUMBER: LCU 16-36F | | | | | |
| . NAME OF OPERATOR: XTO Energy, Inc. . ADDRESS OF OPERATOR: | PHONE NUMBER: | 9. API NUMBER: 4304739784 10. FIELD AND POOL, OR WILDCAT: | | | | |
| P.O. Box 1360 CITY Roosevelt STATE UT ZIP 8406 | | Natural Buttes | | | | |
| FOOTAGES AT SURFACE: 815' FSL & 471' FEL | | соинту: Uintah | | | | |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 36 10S 20E | S | STATE: UTAH | | | | |
| 1. CHECK APPROPRIATE BOXES TO INDICATE NA | <u> 18 ann an Taonach ann an Air an Aireann an</u> | ORT, OR OTHER DATA | | | | |
| TYPE OF SUBMISSION NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: CHANGE TO PREVIOUS PLANS | TYPE OF ACTION DEEPEN FRACTURE TREAT NEW CONSTRUCTION OPERATOR CHANGE | REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL TEMPORARILY ABANDON TUBING REPAIR | | | | |
| SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: CHANGE WELL NAME CHANGE WELL STATUS COMMINGLE PRODUCING FORMATIONS CONVERT WELL TYPE | PLUG AND ABANDON PLUG BACK PRODUCTION (START/RESUME) RECLAMATION OF WELL SITE RECOMPLETE - DIFFERENT FORMATION | VENT OR FLARE WATER DISPOSAL WATER SHUT-OFF OTHER: Permit Extension | | | | |
| DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertiner XTO Energy, Inc. hereby requests a one year extension of the s This is the first extension that has been requested. | | | | | | |
| Approved by the Utah Division of Oil, Gas and Mining Date: 17-01-0500 By: | | DECEIVE DEC - 1 2008 DIV OF OIL, GAS & MIRKING | | | | |
| NAME (PLEASE PRINT) Kendell Johnson | _{ппце} Agent for XTO E | inergy, Inc. | | | | |
| SIGNATURE MUNICIPALITY SIGNATURE | DATE 11/14/2008 | | | | | |
| nis space for State use only) | | | | | | |

(This space for State use only)

1. TYPE OF WELL

2. NAME OF OPERATOR: XTO Energy, Inc. 3. ADDRESS OF OPERATOR:

P.O. Box 1360 4. LOCATION OF WELL

11.

V

COPY SENT TO OPERATOR

Date: 12.4.2008

Initials:

Application for Permit to Drill Request for Permit Extension Validation (this form should accompany the Sundry Notice requesting permit extension)

| API: 4304739784 Well Name: LCU 16-36F Location: 815' FSL & 471' FEL, SE SE Sec. 36, T10S, R20E Company Permit Issued to: XTO Energy, Inc. Date Original Permit Issued: 12/17/2007 | | | | | | | | |
|---|--|--|--|--|--|--|--|--|
| The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. | | | | | | | | |
| Following is a checklist of some items related to the application, which should be verified. | | | | | | | | |
| If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes □ No ☑ | | | | | | | | |
| Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☑ | | | | | | | | |
| Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑ | | | | | | | | |
| Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No ☑ | | | | | | | | |
| Has the approved source of water for drilling changed? Yes□No☑ | | | | | | | | |
| Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑ | | | | | | | | |
| Is bonding still in place, which covers this proposed well? Yes ☑No□ | | | | | | | | |
| Kerdelebarson 11/14/2008 | | | | | | | | |
| Signature Date | | | | | | | | |
| Title: Kendell Johnson | | | | | | | | |
| Representing: XTO Energy, Inc. | | | | | | | | |

| | FORM 9 | | | | | | | | | |
|---|--|--|---|-----------------------|---|--|--|--|--|--|
| | | 5.LEASE DESIGNATION AND SERIAL NUMBER ML-47391 | | | | | | | | |
| SUND | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | | | | | | | | |
| Do not use this form for propo bottom-hole depth, reenter plu DRILL form for such proposals | | 7.UNIT or CA AGREEMENT NAME: LITTLE CANYON | | | | | | | | |
| 1. TYPE OF WELL Gas Well | | 8. WELL NAME and NUMBER: LCU 16-36F | | | | | | | | |
| 2. NAME OF OPERATOR: XTO ENERGY INC | | 9. API NUMBER: 43047397840000 | | | | | | | | |
| 3. ADDRESS OF OPERATOR: 382 Road 3100 , Aztec, NM, 8 | 7410 505 333-3159 Ext | | PHONE NUMBER: | | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES | | | | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0815 FSL 0471 FEL QTR/QTR, SECTION, TOWNSHI | TO DANCE MEDITIAN. | | | UINT | COUNTY: UINTAH | | | | | |
| | Township: 10.0S Range: 20.0E Meridian: | S | | STATE UTAH | | | | | | |
| 11. CHE | CK APPROPRIATE BOXES TO INDICA | TE N | ATURE OF NOTICE, REPOR | RT, OR OT | THER DATA | | | | | |
| TYPE OF SUBMISSION | | | TYPE OF ACTION | | | | | | | |
| | _ ACIDIZE | | ALTER CASING | | CASING REPAIR | | | | | |
| NOTICE OF INTENT Approximate date work will start: 12/1/2010 | CHANGE TO PREVIOUS PLANS | _ | CHANGE TUBING | | CHANGE WELL NAME | | | | | |
| | CHANGE WELL STATUS | _ | COMMINGLE PRODUCING FORMATION | ns L | CONVERT WELL TYPE | | | | | |
| SUBSEQUENT REPORT Date of Work Completion: | DEEPEN | | FRACTURE TREAT | L | NEW CONSTRUCTION | | | | | |
| | ☐ PRODUCTION START OR RESUME | _ | PLUG AND ABANDON RECLAMATION OF WELL SITE | | ☐ PLUG BACK ☐ RECOMPLETE DIFFERENT FORMATION | | | | | |
| SPUD REPORT Date of Spud: | REPERFORATE CURRENT FORMATION | _ | SIDETRACK TO REPAIR WELL | Г | TEMPORARY ABANDON | | | | | |
| Date of Spud. | TUBING REPAIR | _ | VENT OR FLARE | | WATER DISPOSAL | | | | | |
| DRILLING REPORT | water shutoff | | SI TA STATUS EXTENSION | _ | APD EXTENSION | | | | | |
| Report Date: | WILDCAT WELL DETERMINATION | | OTHER | от | HER: | | | | | |
| 12 DESCRIBE DROBOSED OR CO | DMPLETED OPERATIONS. Clearly show all pe | | | | ' | | | | | |
| | ests a one year extension on | | | | | | | | | |
| , , | referenced well. | | | | Approved by the | | | | | |
| | | | | | Utah Division of il, Gas and Mining | | | | | |
| | | | | O | ii, das and Milling | | | | | |
| | | | | Date: | November 30, 2009 | | | | | |
| | | | | F. F. | _00zailW | | | | | |
| | | | | в λ : <u>п</u> | Down Agree | | | | | |
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| | | | | | | | | | | |
| | | | | | | | | | | |
| NAME (PLEASE PRINT) Eden Fine | PHONE NUMBER 505 333-3664 | ₹ | TITLE Permitting Clerk | | | | | | | |
| SIGNATURE N/A | | | DATE 11/30/2009 | | | | | | | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047397840000

API: 43047397840000

Well Name: LCU 16-36F

Location: 0815 FSL 0471 FEL QTR SESE SEC 36 TWNP 100S RNG 200E MER S

Company Permit Issued to: XTO ENERGY INC **Date Original Permit Issued:** 12/17/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
 Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
 Has the approved source of water for drilling changed? Yes No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?

 Yes
 No
- Is bonding still in place, which covers this proposed well?

 Yes
 No Utah Division of Oil, Gas and Mining

Signature: Eden Fine **Date:** 11/30/2009

Title: Permitting Clerk Representing: XTO ENERGY INC

Date: November 30, 2009

Bv:



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 28, 2010

XTO Energy Inc. 382 Road 3100 Aztec, NM 87410

Re:

APD Rescinded – Little Canyon Unit 16-36F, Sec. 36, T. 10S, R. 20E Uintah County, Utah API No. 43-047-39784

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 17, 2007. On December 1, 2008 and November 30, 2009, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective December 17, 2010.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

cc:

Well File

Ed Bonner, SITLA

